HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING FEBRUARY 27, 2013 APPLICATION SUMMARY

NAME OF PROJECT:

Baptist Center for Cancer Care

PROJECT NUMBER:

CN1211-057

ADDRESS:

59 Humphreys Boulevard and property at 80

Humphreys Center and 6029 Walnut Grove Road

Memphis, (Shelby County), TN 38120

LEGAL OWNER:

Baptist Memorial Hospital - Tipton

1995 Highway 51 South

Covington (Tipton County), TN 38019

OPERATING ENTITY:

Baptist Memorial Hospital - Tipton

1995 Highway 51 South

Covington (Tipton County), TN 38019

CONTACT PERSON:

Arthur Maples

(901) 227-4137

DATE FILED:

November 15, 2012

PROJECT COST:

\$84,834,200.00

FINANCING:

Cash Reserves of Baptist Memorial Health Care

Corporation affiliated entities

PURPOSE FOR FILING:

To relocate the Baptist Center for Cancer Care from its CON approved site of 1238 and 1280 South Germantown Parkway, Germantown (Shelby County), TN to the building known as The Shops of Humphreys Center at 50 Humphreys Boulevard,

Memphis (Shelby County), TN

BAPTIST CENTER FOR CANCER CARE CN1211-057 February 27, 2013

PAGE 1

DESCRIPTION:

Baptist Memorial Health Care through its, subsidiary, Baptist Memorial Hospital - Tipton (BMH-T) d/b/a Baptist Center for Cancer Care (BCCC), is seeking approval for the relocation of a comprehensive, integrated outpatient cancer care center (CN1105-018A) approved by the Agency in August 2011 from 1238 and 1280 South Germantown Parkway, Germantown (Shelby County) to the building known as The Shops of Humphreys Center located on a 7 acre site at 50 Humphreys Boulevard, Germantown (Shelby County, TN). The proposed new location also includes space located in nearby buildings at 80 Humphreys Center and 6029 Walnut Grove Road. The proposed project involves the relocation of a positron emission tomography unit (PET/CT), two (2) linear accelerators, along with a Cyberknife linear accelerator. One of the existing linear accelerators to be relocated from Baptist Memorial Hospital-Memphis (BMH-M) will be replaced when installed at Baptist Center for Cancer Care. The PET/CT unit to be relocated will be a replacement of the Baptist Memorial Hospital - Tipton (BMH-T) PET/CT currently located at 7945 Wolf River Boulevard, Germantown (Shelby) County. The project does not involve the addition of beds or any additional medical equipment.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

Applications for Change of Site

When considering a certificate of need application, which is limited to a request for a change of site for a proposed new health care institution, the Commission may consider, in addition to the foregoing factors, the following factors:

(a) Need. The applicant should show the proposed new site would serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed new site.

The capital outlay to complete the new site will be significantly less than the alternative of expanding the originally approved site. The applicant calculates the relocation and reconfiguration of the proposed project will save approximately \$20,211,200. In addition, the new site will provide access to Baptist Memorial Hospital which is located across the street.

It appears that this criterion is met.

(b) Economic factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.

The new proposed location will not result in any increase in patient charges. The new site will be approximately three (3) miles closer to the population center of Memphis, TN.

It appears that this criterion is met.

(b) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

The proposed project will take only six (6) additional months to complete than the construction associated with the original location.

It appears that this criterion is met.

SUMMARY:

Baptist Memorial Hospital-Tipton (BMH-T), CN1105-018A, was approved at the August 2011 agency meeting to construct and staff a comprehensive cancer center at an estimated cost of \$64,925,225.00. The Cancer Center was planned to be housed in a newly constructed 105,291 square foot facility located on a new 12 acre site at 1238 and 1280 South Germantown Parkway in Germantown, Tennessee, approximately five (5) miles east of Baptist Memorial Hospital-Memphis (BMH-M) campus. As the cancer center plans were being refined, the applicant realized CN1105-018A needed to be modified because a larger facility was required to provide the flexibility to adjust to advancements in oncology delivery options while being in a centralized location. The applicant found the cost of the new construction increased and the original 105,921 square feet space grew to 153,211 square feet. The applicant submitted a proposal to modify the application at the original site but withdrew the application and chose to submit this application for a site closer to the BMH-M campus. The applicant states the new cancer center location will improve patient and staff access to other complex services that a cancer patient may need at BMH-M. Leased space will be used for Multi D clinics as well as clerical, administrative and support functions. *Note to* Agency Members: A multi D clinic is a configuration where physicians from various disciplines/specialties can congregate to visit a single patient thereby improving convenience by reducing multiple physician visits.

Note to Agency members: According to the transcript of the August 2011 Agency meeting of Baptist Memorial Hospital-Tipton (BMH-T), CN1105-018A, Baptist-Tipton is a disproportionate-share hospital which means it qualifies to purchase pharmaceuticals including outpatient drugs from pharmaceutical manufacturers at a discount. By establishing Baptist Center for Cancer Care as a satellite of BMH-T the applicant is allowed to purchase cancer treatment drugs at a discount.

This relocation project also involves an approved, but yet-to-be implemented, Cyberknife Stereotactic Radiosurgery System (SRS), granted in CN1010-050A at the January 26, 2011 Agency meeting. The previously approved cyberknife was originally approved to be located at Baptist Memorial Hospital-Memphis. The applicant plans to locate the unimplemented cyberknife to the new proposed cancer center location.

Per the supplemental response, the new location is actually 3.2 miles closer to the centroid of the Shelby County population and has excellent access to major roadways/interstates. The new proposed location will also have access to the adjacent campuses of both (Baptist Memorial Hospital-Memphis) BMH-M and Baptist Memorial Hospital for Women (BMHW) from the new proposed location. The inpatient capability of BMHW is 140 beds that include a NICU and pediatric unit. The 706 beds at BMH-M also include a separately licensed long-term care hospital and skilled nursing facility.

This application includes other changes by the applicant such as \$3.5 million dollars for low voltage technologies including structured cabling, wireless systems, communications systems, sound and video and patient entertainment systems. The building will be designed to expand to eighty-eight (88) infusion stations to handle any increased demand created by additional oncologists. The laboratory, pharmacy and support systems will have the flexibility to expand to increase workflow efficiencies and safety for staff. Clinical space for genetics and research will be increased as well as space for entire departments such as materials management and maintenance.

The applicant indicates community interest as well as physician involvement has grown since the original application was approved in August 2011. There have been three (3) oncology foundations with twenty-seven (27) physicians and ten (10) nurse practitioners joining the BMH-T medical staff. The applicant anticipates there will be possibly fifteen (15) oncologists who will be providing infusion care at the new facility from the originally anticipated nine (9). In addition, the Baptist Cancer Center of BMH-T has since affiliated with the Vanderbilt-Ingram Cancer Center that the applicant states will enhance the level of regional cancer care in the Memphis and West Tennessee area.

The applicant indicates the financial feasibility of the project is enhanced because Baptist Memorial Health Care Corporation (BMHCC) already owns the land (market value of \$11 million) that will be transferred to the applicant Baptist Memorial Hospital – Tipton (BMH-T). The applicant states the site is not a cost to the system but rather a movement of assets within BMHCC.

The applicant plans to replace one of the two conventional linear accelerators from BMH-M during the relocation. The current 21EX Linear Accelerator is planned to be replaced by a Truebeam Trilogy Linear Accelerator with a useful life of 5-7 years. The cost of the Truebeam Trilogy Linear Accelerator is \$12,236,914 which includes the cost of equipment and maintenance.

The applicant acquired the PET/CT located at 7945 Wolf Branch Road Germantown (Shelby County) from BMH-T through CN1111-050A. The applicant proposes to replace the unit when the unit is relocated to the new cancer center site. When the PET/CT becomes fully operational, BMH-T will agree to surrender the approval to provide PET/CT services at 7945 Wolf Branch Road. The PET/CT at BMH-M will continue to operate at BMH-M.

The applicant indicates linear accelerators will be relocated from a building owned by BMH-M to a new building owned by the applicant (BMH-T); BMH-T will be the entity that will initiate linear accelerator services. BMH-T indicates BMH-M will surrender approval to provide linear accelerator services at the time the linear accelerator services becomes fully operational for patients at the cancer center. The applicant states linear accelerators will be operational at both BMH-M and BMH-T for a period of approximately ten (10) weeks during the proposed relocation and installation.

Licensed by the Tennessee Department of Health and accredited by The Joint Commission, Baptist Memorial Hospital-Tipton is a nonprofit corporation wholly owned by Baptist Memorial Health Care Corporation (BMHCC). Per the supplemental response BMHCC is also a non-profit organization with a corporate office located at 350 North Humphreys Blvd. Memphis (Shelby County), TN. The applicant has provided a BMHCC organizational chart in Attachment A.4 of the original application.

According to the 2011 Joint Annual Report (JAR), Baptist Memorial Hospital-Tipton staffed 56 of its 100 licensed acute care beds and recorded a licensed occupancy of 13.8% and a staffed occupancy of 44%. According to the Department of Health's Joint Annual Report the two bed categories are defined as follows:

Licensed Beds- The maximum number of beds authorized by the appropriate state licensing (certifying) agency or regulated by a federal agency. This figure is broken down into adult and pediatric beds and licensed bassinets (neonatal intensive or intermediate care bassinets).

Staffed Beds-The total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less than or equal to the number of licensed beds.

Below Baptist Memorial Hospital-Tipton's Baptist Center for Cancer Care's proposed primary service area:

Primary Service Area Population

County	2013	2017	% Change
Shelby County, TN	956,126	983,298	+2.8%
Fayette, TN	39,818	41,841	+5.1%
Tipton, TN	63,857	67,365	+5.5%
Primary Service Area Total	1,059,801	1,092,504	+3.1%

Source: Tennessee Department of Health, Division of Health Statistics, Population Projections 2010-2020

The applicant states the expanded secondary service area counties were included because those counties would be served by the specialized treatments that the applicant's Cyberknife provides. The entire BMH-T service area also shows a 2.8% increase in population.

Total Service Area Population

	2013	2017	% Change
Secondary Service Area - 18 West TN Co.'s	548,299	559,973	+2.1%
(Benton, Carroll, Chester, Crockett, Decatur, Dyer,			
Gibson, Hardin, Hardeman, Haywood, Henderson,			
Henry, Lake, Lauderdale, McNairy, Madison,			
Obion, & Weakley)			
Tennessee Primary & Secondary Service Area	1,608,100	1,652,477	+2.8%

Source: Applicant & TN Department of Health, Division of Health Statistics, TN Population Projections 2010-2020

Per the Historical Data Chart, the applicant indicates Baptist Memorial Hospital-Tipton has had a positive profitability history over the past three fiscal years. BMH-T has experienced Net Operating Gains of \$1,143,495 for FY 2009, \$875,762 for FY 2010, and \$1,034,167 for FY 2011. The Projected Data Chart provided in the application for the BCCC projects net operating gains for the project of \$8,937,337 during the first year of operation and \$9,013,892 during the second year of

operation. Staffing for the new center will increase from 77.3 FTE staff as originally proposed to 92.88 FTE in this application.

The applicant states the charge schedule will not change for this proposal. The current and proposed charges will be the same. According to the HSDA Medical Equipment Registry, the 2011 average gross linear accelerator procedure charge for BMH-T was \$687.59, for linear accelerator providers in the applicant's primary service area was \$968.70 and the statewide average gross charge was \$1,092.00.

Baptist Memorial Hospital-Tipton is contracted with BCBST Blue Care, TennCare Select, and AmeriChoice. It is anticipated that during the first operational year following the project's completion, projected TennCare/Medicaid revenues are anticipated to be \$4,868,873 (3% of total gross revenues), while Medicare revenues are anticipated to be \$64,918,306 (40% of the project's gross revenues). In addition, BMH-T has budgeted -\$4,534,643 (2.8% of the project's gross revenues) for charity care.

The total estimated project cost is \$84,834,200, which includes \$2,737,942 for Architectural and Engineering Fees; \$48,000 for legal, Administrative and Consultant Fees; \$11,000,000 for Site Acquisition; \$1,111,965 for Site Preparation; \$37,826,643 (\$251.00 per square foot) for the Construction Costs with Contingency; \$11,121,960 for Fixed Equipment; \$4,561,893 for Moveable Equipment; \$14,706,420 on Other Expenses (maintenance, I/S, video conference); \$1,674,647 in Leased Cost and a \$45,000 CON filing fee. The projected cost per square foot (\$251.00) is between the 1st quartile cost of \$235.86/sq. ft. and the median cost of \$274.63/sq. ft. for construction projects between 2009 and 2011 for hospitals.

A letter dated November 14, 2012 from Baptist Memorial Health Care Corporation's Chief Financial Officer attests to BMHCC's intent and ability to fund the project through cash reserve of BMHCC's affiliated entities. Review of the Baptist Memorial Hospital-Memphis unaudited financial statements of September 30, 2010 revealed BMH-T cash and cash equivalents balance of \$288,592,420 and a current assets to current liabilities ratio (5.52 to 1). Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

The applicant has submitted the required information on corporate documentation, title and deeds, service area population demographics and credentials of the radiation oncology

medical staff. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's office.

According to the Project Completion Forecast Chart, the applicant plans to have the BCCC operating by June 2015. Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications for this applicant.

Outstanding Certificates of Need

Baptist Memorial Hospital-Tipton, CN1105-018A, has an outstanding Certificate of Need that will expire on October 1, 2014. The CON was approved at the August 24, 2011 Agency meeting for construction of a comprehensive cancer center; initiating linear accelerator and PET services; relocate 2 linear accelerators, PET, previously approved cyberknife (CN1010-050) from Baptist Memorial Hospital- Memphis to the proposed Baptist Center for Cancer Care. The estimated cost of the project is \$64,925,225.00. Project Status Update: During the planning phase of the project the applicant has received additional interest in the project requiring them to expand the project and file for an expanded Certificate of Need CN1205-026.

Baptist Memorial Hospital – Tipton is owned by Baptist Memorial Health Care Corporation of Memphis, Tennessee, which has financial interests in this project. Baptist Memorial Health Care Corporation has no other Letters or denied applications.

Outstanding Certificates of Need

Baptist Memorial Hospital- Huntingdon, CN1205-021A, has an outstanding Certificate of Need that will expire on October 1, 2015. The CON was approved at the August 22, 2012 Agency meeting for the initiation of adult psychiatric services and conversion of twelve (12) currently licensed medical-surgical beds to twelve (12) geriatric psychiatric beds at its seventy (70) bed acute care hospital located at 631 R.B. Wilson Drive in Huntingdon (Carroll County), TN. The estimated project cost is \$727,000.00. Project Status: HSDA approval of this project has been appealed. Detailed planning for implementation continues, but start of renovation has been delayed.

Pending Applications

Baptist Memorial Hospital for Women, CN1211-058, has an application pending which will be heard at the February 27, 2013 Agency meeting. The application is for the construction of an Emergency Department dedicated for pediatric patients and the initiation of Magnetic Resonance Imaging (MRI) services on the Baptist Women's campus. The project will involve 37,500 square feet of new construction. The project does not involve the addition of beds or any other service for which a Certificate of Need is required. The estimated project cost is \$14,105,241.00.

Baptist Memorial Rehabilitation Hospital, CN1212-059, has an application pending which will be heard at the March 27, 2013 Agency meeting. The application is for the establishment of a forty-nine (49) bed inpatient rehabilitation hospital. If approved, Baptist Rehabilitation Hospital-Germantown will delicense its forty-nine (49) bed inpatient rehabilitation unit. The estimated project cost is \$33,167,900.00

<u>CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:</u>

There are no Letters of Intent or pending applications for similar service area entities proposing this type (i.e., Megavoltage Radiation Therapy Services/Cyberknife and/or PET) of service.

Denied Applications

West Clinic, CN1102-006D, had an application denied at the May 25, 2011 Agency meeting. The application was for the establishment of a single specialty ambulatory surgical treatment center (ASTC) limited to radiation therapy for use by only the physicians and patients of the West Clinic, initiate radiation therapy services and acquire a linear accelerator at 100 North Humphreys Blvd., Memphis, Tennessee. The estimated project cost was \$8,375,057. Reason for Denial: The applicant did not establish the need for the additional linear accelerator; thus, the project did not contribute to the orderly development of healthcare.

Outstanding Certificate of Need

Methodist Healthcare-Memphis Hospitals, d/b/a Methodist University Hospital, CN1111-047A, has an outstanding Certificate of Need which will expire on April 1, 2015. The CON was approved at the February 22, 2012 Agency meeting for the relocation and replacement of a PET/CT unit from 1388 Madison to the West Clinic at 1588 Union Ave., Memphis. The unit will continue to be

operated by Methodist and will not increase the number of PET units in the service area. The estimated cost of the project is \$3,257,783.00. Project Status Update: Methodist indicates construction began on October 15, 2012. The PET is scheduled to be installed by the end of February. Construction is scheduled to be completed by mid-May.

Jackson-Madison County General Hospital, CN1109-033A has an outstanding Certificate of which will expire on February 1, 2015 for the construction of a new hospital-based cancer treatment facility operated under the hospital's license across the street from the hospital at 720 West Forest Avenue, Jackson (Madison County), TN. The Alice and Carl Kirkland Cancer Center will consolidate several hospital-based services (radiation therapy, chemo-therapy, and cancer related diagnostic services) into a single 82,900 square foot facility designed to integrate the various cancer related hospital and physician programs into a comprehensive outpatient cancer center. The estimated project cost is \$37,170,952.00. Project Status Update: An annual progress report was received on December 3, 2012. The official start date of construction was October 15, 2012. Structural Steel Fabrication is 60% complete; Steel Erection Activities began December 2012. The project is projected to be competed in October 2013.

St. Jude Children's Research Hospital, CN1105-017A, has an outstanding Certificate of Need which will expire on October 1, 2017. The application was approved at the Agency's August 24, 2011 meeting for the modification of an existing facility (relocation of an 8 bed intensive care unit and relocation and addition of one operating room to the current two operating room surgical suite), initiation of inpatient and outpatient proton therapy services and the acquisition of the proton therapy equipment on the main campus at 315 Danny Thomas Place in Memphis, Tennessee. The estimated project cost is \$188,055,628.00. Project Status Update: As of January 30, 2013 the concrete work for Proton Therapy Vaults and Surgery/ICU 2nd floor has been completed. The 4th floor-shelled floor is under construction. Approximately 98% off all sub-contracts have been issued. The building is expected to be dried in with walls, windows and roof by September, 2013.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (2/5/13)



LETTER OF INTENT

2012 NOV -9 AM 10: 38

TENNESSEE HEALTH SERV	ICES AND DEVELO	PMENT AGENCY
The Publication of Intent is to be published in the	Commercial Appeal	_which is a newspaper

of general circulation in Shelby and oth	<u>ner counties in</u> , Te	ennessee, on or befor	e November 10 (Month / day)	, 20 <u>12,</u> (Year)
for one day.	37		(World / day)	(1001)
This is to provide official notice to the accordance with T.C.A. § 68-11-1601	et seq., and the Ru	ules of the Health Ser	vices and Developm	======================================
that: <u>Baptist Memorial Hospital-T</u> (Name of Applicant)	ipton ,		ral Hospital ty Type-Existing)	
owned by: Baptist Memorial Hospita	al-Tipton with			ion
and to be managed by: Baptist Mem	orial Hospital-Tipto	n intends to file	an application for a	Certificate
of Need to relocate the Baptist Center				
Germantown Parkway, Germantown,	Tennessee 38138 t	o the building known	as The Shops of Hur	nphreys
Center at 50 Humphreys Boulevard, M	lemphis, Tennesse	e 38120. The propose	ed new location also	includes
space conveniently located in nearby k	ouildings at 80 Hun	nphreys Center and 6	029 Walnut Grove Ro	oad. The
Cancer Center project includes relocat	tion of a positron e	mission tomography (PET/CT) unit, initiation	n of linear
accelerator services, and acquisition o	<u>f major medical eq</u>	uipment and related a	ssets currently owner	ed and
operated by Baptist Memorial Hospital				
linear accelerators and other radiation				
of the existing linear accelerators to be	e relocated from BN	MHM will be replaced	when installed at the	Baptist
Center for Cancer Care. The PET/CT				
replacement of the BMHT PET/CT cur	rently located at 79	945 Wolf River Blvd, G	Sermantown, TN 381	138. The
hospital total Cancer Center space is a	approximately 153,	200 square feet. The	project does not invo	olve the
addition of beds or any other service for	or which a certificat	te of need is required.	The estimated proje	ct cost, by
rule is \$ 84,834,200.				
The anticipated date of filing the applic	cation is: <u>Novemb</u>	<u>er 15,</u> , 20 <u>12</u>		
The contact person for this project is _	Arthur Maple (Conta	S ct Name)	Director Strategic A	nalysis
who may be reached at: Baptist Mem	norial Health Care (any Name)		N Humphreys Blvd dress)	
Memphis	TN	38120	901 / 227-41	37
(City)	(State)	(Zip Code)	(Area Code / Phon	
arthu March		11/8/2012	arthur.maples@bmhcc	.org
(Signature)		(Date)	(E-mail Addres	ss)
			======================================	
The Letter of Intent must be filed in trip last day for filing is a Saturday, Sunda this form at the following address:	y or State Holiday,	filing must occur on Development Agency	the tenth day of the r	nontn. If the ess day. File
	500 Deaderick Stre			

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Nashville, Tennessee 37243

LETTER OF INTENT

ORIGINAL APPLICATION

2012 NOV 15 PN 4: 23

CERTIFICATE OF NEED APPLICATION

RELOCATION AND MODIFICATIONS TO BAPTIST CENTER FOR CANCER CARE

BAPTIST MEMORIAL HOSPITAL - TIPTON
November 2012

1.	Name of Facility, Agency, or Institution		
	Baptist Center for Cancer Care Name		12 NOV 15 PH 4: 23
	50 Humphreys Boulevard and property at 8 Street or Route	O Humphreys Cent	er and 6029 Wainut Grove Road
	Shelby Memphis County City	TN State	38120 Zip Code
2.	Contact Person Available for Response	s to Questions	
	Arthur Maples Name Baptist Memorial Health Care Corporation Company Name 350 N. Humphreys Blvd. Street or Route Employee	Memphis City 901-227-4137	Dir. Strategic Analysis Title Arthur.Maples@bmhcc.org Email addressTN38120 State Zip Code 901-227-5004
	Association with Owner	Phone Number	
3.	Owner of the Facility, Agency or Institut	<u>tion</u>	
	Baptist Memorial Hospital - Tipton Name 1995 Highway 51 South		901-476-2621 Phone Number Tipton
	Street or Route Covington		County 38019
	City	State	Zip Code
4.	Type of Ownership of Control (Check Or	ne)	
	A. Sole Proprietorship B. Partnership C. Limited Partnership D. Corporation (For Profit) E. Corporation (Not-for-Profit)	G. Political SH. Joint Ver	iability Company ———

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5.	Nar	ne of Management/Operating E	ntity (If A	pplie	cable)	
	Nan	Saptist Memorial Hospital - Tipton ne 995 Highway 51 South eet or Route			Tipton County	
		Covington			ΓN 38019	
	City			St	zate Zip Code	
	PU ⁻ REI	T ALL ATTACHMENTS AT THE FERENCE THE APPLICABLE IT	IE END Em numi	OF BER	THE APPLICATION IN ORDEF ON ALL ATTACHMENTS.	AND
6.	Leg	al Interest in the Site of the Ins	titution (Chec	k One)	
	A. B. C.	Ownership Option to Purchase Lease of <u>5</u> Years	<u>X</u>		Option to Lease Other (Specify)	<u>X</u>
	PU1 REF	FALL ATTACHMENTS AT THE	E BACK Em nume	OF BER	THE APPLICATION IN ORDER ON ALL ATTACHMENTS.	AND
7.	Typ	e of Institution (Check as appr	opriateı	nore	than one response may apply)	
	A. B.	Hospital (Hospital Outpatient Dept) Ambulatory Surgical Treatment	X	I. J.	Nursing Home Outpatient Diagnostic Center	
	C.	Center (ASTC), Multi-Specialty		K.	Recuperation Center	
	D.	ASTC, Single Specialty Home Health Agency		L. M.	Rehabilitation Facility Residential Hospice	
	E.	Hospice		N.	Non-Residential Methadone	
	F.	Mental Health Hospital			Facility	
	G.	Mental Health Residential		Ο.	<u>-</u>	
		Treatment Facility		P.	Other Outpatient Facility	
	H.	Mental Retardation Institutional			(Specify)	
		Habilitation Facility (ICF/MR)	<u></u>	Q.	Other (Specify)	
8.	Pur	pose of Review (Check) as appr	opriate	more	than one response may apply)	
	A.	New Institution		G.	Change in Bed Complement	
	B.	Replacement/Existing Facility			[Please note the type of change	
	C.	Modification/Existing Facility			by underlining the appropriate	
	D.	Initiation of Health Care			response: Increase, Decrease,	
		Service as defined in TCA §			Designation, Distribution,	
		68-11-1607(4) (<u>Linear</u>	v	LI	Change of Leasting (DET/OT)	,
	E.	Accelerator, PET) Discontinuance of OB Services	X	H.,	_ ,	<u>x</u> _
	F.	Acquisition of Equipment	X	1.	Other (Specify)	
		requirement of Equipment				

9.		I Complement Data ease indicate current and prop	osed distr	ibution	and certi	fication of	facility bed	ds.
				Current License	Beds d *CON 20	Staffed	Beds Prodused	TOTAL Beds at Completion
	A.	Medical		76		32		76
	B.	Surgical				-		
	C.	Long-Term Care Hospital						
	D.	Obstetrical		10_		10		_10
	E.	ICU/CCU		8		4		8
	F.	Neonatal						
	G.	Pediatric		6		4		_ 6
	H.	Adult Psychiatric						1
	1.	Geriatric Psychiatric				-		
	J.	Child/Adolescent Psychiatric					**********	
	K.	Rehabilitation						
	L.	Nursing Facility (non-Medicaid C	ertified)					-
	M.	Nursing Facility Level 1 (Medica			-			
	N.	Nursing Facility Level 2 (Medica	• •					-
	Ο.	Nursing Facility Level 2	are erriy)	-	!			
		(dually certified Medicaid/Medicare))					
	P.	ICF/MR						
	Q.	Adult Chemical Dependency						
	R.	Child and Adolescent Chemica Dependency	nl .					
	S.	Swing Beds						
	T.	Mental Health Residential Trea	atment		0			
	U.	Residential Hospice				·		
		TOTAL		100	()	50	\$ 	100
		*CON-Beds approved but not yet in	service		3 			
10.	Me	edicare Provider Number	44-01:	31				
-		Certification Type	Hospi					
11.	Mc	edicaid Provider Number	0440					
11.	IVIC	Certification Type	Hos	"				
12.	If t	his is a new facility, will certifi	ication be	sought	for Medic	are and/o	r Medicaid?	?
13.	(M tre	entify all TennCare Managed C COs/BHOs) operating in the p eatment of TennCare participal entify all MCOs/BHOs with whi	roposed sonts? Yes ch the app	ervice a If th dicant h	<i>rea.</i> Will e respons as contra	this projects to this increase to this increase to the second or place the second or p	ct involve t item is yes lans to con	he , please
		Care MCOs: BCBST Blue						
	Dis	scuss any out-of-network relat	tionships ii	n place	with MCC)s/BHOs ii	n the area.	

NOTE:

Section B is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. Section C addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Executive Summary

The purpose of this certificate of need application is to relocate and modify scope of the project approved by the HSDA in August 2011, in CN1105-018A for Baptist Memorial Hospital-Tipton (BMHT) d\b\a Baptist Center for Cancer Care. The certificate of need was issued:

"to construct a comprehensive cancer center; to initiate linear accelerator and positron emission tomography (PET) services; and to acquire major medical equipment and related assets currently owned by Baptist Memorial Hospital-Memphis (BMHM). The new facility will include a full array of oncology services and programs and will be operated as an outpatient department of Baptist Memorial Hospital-Tipton..."

The Cancer center construction was to have been in approximately 105,921 square feet of newly constructed space at 1238 and 1280 South Germantown Parkway, Germantown (Shelby County), TN 38138 at an estimated cost of \$64,925,225.

As the cancer center construction plans were being refined, the dynamics of merging outpatient oncology services into one location while providing flexibility to adjust for advancements in delivery options generated a larger facility that exceeded the parameters of the approved CON. The original 105,921 square feet space program grew to 153,211 square feet and the cost of the new construction increased. An application to modify the original application at the Germantown site was submitted but was withdrawn to be replaced with this proposal at a site closer to the BMHM campus. The proposed location for the facility will improve patient and staff access to other complex services that a cancer patient may need at BMHM. In addition, the combination of renovation with new construction and the use of leased space in

existing office buildings will provide flexibility in a more cost effective manner. Leased space will be used for "Multi D" clinics to be located where a patient can conveniently meet with doctors and professionals from multiple disciplines. Clerical, administrative and support functions will also be located in leased space in the office buildings on adjacent properties.

Momentum for the project continues since CN1105-018A was approved. Physician involvement has continued to grow along with community interest. Three oncology foundations have joined the Baptist Medical Group with 27 physicians and 10 nurse practitioners joining the BMHT medical staff. The recent completion of the affiliation of the Baptist Cancer Center and the Vanderbilt-Ingram Cancer Center will contribute to enhancing the level of cancer care in the region.

The type of cancer services that require CON review have not changed from the original application. BMHT acquired a PET/CT unit that will be updated when it is relocated to the new cancer center. The linear accelerators, including the cyberknife, will be relocated from BMHM with one of the accelerators also being updated at the time of the relocation. The costs of replacing the 2 major medical equipment items, the PET/CT and one linear accelerator, are included in this application although the replacements could occur without CON approval. The infusion services that will be located in renovated space with 48 infusion stations and additional space for growth. Other spaces that have changed from the original application are indicated on the Chart following this page.

The financial feasibility of the project is enhanced by relocating the center. The construction cost is less and other reductions are achieved that are not apparent from the Project Costs Chart. The market value of the site is shown as \$11 million although Baptist Memorial Health Care Corporation (BMHCC) already owns the land that will be transferred to BMHT. Thus, the site is not a cost to the system but rather a movement of assets within BMHCC.

As a request to modify and relocate a previously approved project, this application updates the financial charts and projections to demonstrate that the project continues to be economically feasible.

An Attachment has been included to outline areas that have changed in this application to relocate and modify the center. Please refer to Attachment titled Factors in Modification Proposal.

- II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.
 - A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

Response:

The chart is completed on the following page. An additional chart is provided to compare space in the original application to this modification

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

Response:

Not applicable - no beds are involved in this project.

H	
Ċ	4
- 7	1
_	•
-	L
5	
L	L
ō	Ē
	2
٠.	4
Ŀ	
-(
(٩
ì	Ĺ
- 4	
0	5
<	Į
=	_
7	•
- >	ž
•	
	۲
	ì
	Ĺ
_	
- 57	_
Ċ	
٠,	-
•	•
9	•
=	ì
-	ź
<	Į
ш	L
-71	ā
_	;
	Ļ
<u> </u>	:
C	j
\sim	1
ũ	Ĺ
_	
Ä	2
	í
<	ĺ
=	2
2	٦
2	ź

:			pasodoll	Ī	rioposed rinal	<u>m</u>	<u>. </u>	Proposed Final	nal
Existing	Existing	Temporary	Final	Sq	Square Footage	ge	Cos	Cost\$/ SF and Total	Total
Location	SF	Location	Location	Renovated	New	Total	Renovated	New	Total \$
50 H				2,762		2,762	180		497,160
50 H				3,255		3,255	180		585,900
New					435	435	180	281	122,235
50 H/ New				16,761	6,160	22,921	180	281	4,747,940
New					3,091	3,091	180	281	868,571
New					520	520	180	281	146,120
50 H/ New				870	313	1,183	180	281	244,553
New					404	404	180	281	113,524
New					12,711	12,711	180	281	3,571,791
New					288	288	180	281	80,928
50 H/ New				1,141		1,141	180	281	205,380
50 H/ New				3,583		3,583	180	281	644,940
50 H/ New				539		539	180	281	97,020
New					582	582	180	281	163,542
New					5,077	5,077	180	640	3,249,280
New					14,149	14,149	180	281	3,975,869
50 H/ New				1,180	841	2,021	180	281	448,721
50 H/ New				1,693		1,693	180	281	304,740
50 H/ New				11,609		11,609	180	281	2,089,620
New					470	470	180	281	132,070
New					1,500	1,500	180	168	252,000
New					2,525	2,525	180	281	709,525
New					842	842	180	281	236,602
New					74	74	180	168	12,432
New					3,355	3,355	180	281	942,755
New					1,687	1,687	180	281	474,047
New					1,687	1,687	180	281	474,047
New					764	764	180	168	128,352
New					7,083	7,083	180	281	1,990,323

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

Rehab Therapy	New	+			2,938	2,938	180	281	825,578
B. Unit/Depart. GSF				72.202	27 406	2			, c
			を提出 (2) 世	40,080	07,490	600,011			28,335,565
C. Mechanical/									
Electrical GSF					7,940	7,940			1,770,986
/Structure GSF				748	14,442	15,190			3,498,449
	10 世祖出			44,141	89.878	134.019			33,605,000

eased areas and 4 initial term cost:			
	Location	Rentable Area (Sq Ft)	Cost (\$)
	80 Humphreys	9,642	
	6029 Walnut Grove	4,550	
	Total	14,192	1,674,647

Total Leased/Built/Renovated 148,211 sq ft 35,279,647

Penthouse MOB Mechanical 5,000

153,211 Total Area

Functional Area Requiring	Proposed by CN1105-	Changes from Original	Proposed by this
Expansion	018A	Project: Increase (Decrease)	project
Total Square footage	105,291 SF	52,688 SF	
Laboratory		2,525	2,525
Blood Draw	350	2,412	2,762
Chemo Infusion	12,008	10,913	22,921
Pharmacy	1,750	2,372	4,122
Medical Imaging	5,186		9,764
PET	570	526	1,096
CT Scan	-	1,116	1,116
Radiographic Rm.	380		423
Nuclear Medicine	518	(518)	
Ultrasound Rm.	-	312	312
Radiation Oncology	11,592	2,557	14,149
Radiation Vaults	4,600	477	5,077
Other Clinical areas			
Interdisciplinary Clinics	3,500	10,830	14,330
Stem Cell Transplant	2,500		11,609
Tumor Registry			
Research	_		
Genetics	-	1,687	1,687
Clinical Trials		1,512	1,512
Rehab Therapy		2,938	2,938
Support Areas		-	
Lobby/Common Spaces	3,614	(2,574)	1,040
Chapel	400		435
Family Conference	-	404	404
Education	4,000		3,091
Library	1,500		
Family/ Resource Center	-	2,021	2,021
Deli	1,500		842
Boutique/Retail	1,500		- 012
Data Center	3,000		1,687
Registration	2,168		decentralized
Administration	1,500		3,355

- C As the applicant, describe your need to provide the following health care services (if applicable to this application):
 - 1. Adult Psychiatric Services
 - 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
 - 3. Birthing Center
 - 4. Burn Units
 - 5. Cardiac Catheterization Services
 - 6. Child and Adolescent Psychiatric Services
 - 7. Extracorporeal Lithotripsy
 - 8. Home Health Services
 - 9. Hospice Services
 - 10. Residential Hospice
 - 11. ICF/MR Services
 - 12. Long-term Care Services
 - 13. Magnetic Resonance Imaging (MRI)
 - 14. Mental Health Residential Treatment
 - 15. Neonatal Intensive Care Unit
 - 16. Non-Residential Methadone Treatment Centers
 - 17. Open Heart Surgery
 - 18. Positron Emission Tomography
 - 19. Radiation Therapy/Linear Accelerator
 - 20. Rehabilitation Services
 - 21. Swing Beds

Response:

This project does not require adding to the market equipment or services regulated by CON. CON approval has previously been granted in the same community that will continue to be served and the need is demonstrated by the current utilization.

Because the linear accelerators will be relocated from a building owned by BMHM to a new building owned by BMHT, BMHT will be initiating linear accelerator services. At the time the linear accelerator services become fully operational for patients at the cancer center, BMHM will surrender approval to provide those services. During the relocation and installation, which should require a period of approximately 10 weeks, linear accelerators will be operational at both BMHM and BMHT.

BMHT acquired the PET/CT at 7945 Wolf River Blvd, Germantown, TN 38138 through CN1111-050A. That unit will be replaced when it is relocated to the cancer center. At the time that the new PET/CT becomes fully operational for patients at the new cancer center, BMHT will agree to surrender the approval to provide PET/CT services at 7945 Wolf River Blvd. The PET/CT at BMHM will continue to operate at BMHM.

D. Describe the need to change location or replace an existing facility.

Response:

The linear accelerators are proposed to move from BMHM to a new building on an adjacent campus where comprehensive outpatient cancer treatments will be provided in one location. The 21EX accelerator is planned to be replaced by a TrueBeam accelerator at the time of the relocation. The PET/CT will be moving from 7945 Wolf River Blvd that is less than 5 miles from the new cancer center. The PET/CT is planned to be replaced at the time of the relocation.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

Response for Linear Accelerators

1. For fixed-site major medical equipment (not replacing existing equipment):

Note: all the units have been previously CON approved and are existing at BMHM. The TrueBeam will replace the current 21EX.

Response for Linear Accelerators

Linear Accelerator evaluated at market value and purchase price for the TrueBeam

- a. Describe the new equipment, including:
 - Total cost ;(As defined by Agency Rule).

TrueBeam ; Trilogy ; CyberKnife

TOTAL Equipment Value: 7,893,534

Maintenance:

4,342,600

TOTAL:

12,236,914

2. Expected useful life;

Response:

Life: 5-7 Years

3. List of clinical applications to be provided; and

Response:

A list of treatments is provided below:

DESCRIPTION	PRICE	HCPC
RO TX DLY 6-10 MV SIM	\$322.00	77403
RO TX DL 11-19 MV SIM	\$322.00	77404
RO TX DY 6-10 MV INTM	\$476.00	77408
RO TX DLY 11-19 MV INTM 11	\$476.00	77409

RO ELECT 6-1206 MEV CMPLX	\$601.00	77413
RO ELECT 11-19 MEV CMPLX	\$601.00	77414
RO ELECT 20 MEV > CMPLX	\$587.00	77416
RO IMRT RX DELIVERY	\$1,206.00	77418
RO SRS LINEAR BASED 1 SES	\$8,399.00	G0173
RO SBRT DELIVERY	\$2,258.00	G0251
RO SRS 1 ST /1 SESSION	\$8,397.00	G0339
RO SRS 2 ND THR 5 TH SESSON	\$6,135.00	G0340

Documentation of FDA approval.

Response:

Documentation of FDA approval is provided as Attachment Section B, II, E, (1), a, 4

b. Provide current and proposed schedules of operations.

Response:

The proposed schedule is 8:00 am to 5:00 pm Monday - Friday

2. For mobile major medical equipment:

Response:

Not applicable

- a. List all sites that will be served:
- b. Provide current and/or proposed schedule of operations;
- c. Provide the lease or contract cost.
- d. Provide the fair market value of the equipment; and
- e. List the owner for the equipment.
- 3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Response:

Baptist Memorial Hospital - Tipton will acquire the equipment from BMH - Memphis and will purchase new equipment. The quotes are provided in Attachment Economic Feasibility 1.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

Response for PET/CT

1. For fixed-site major medical equipment (not replacing existing equipment):

Note: This PET/CT will replace existing equipment at another location.

Response for PE/CT

PET/CT replacement at purchase price.

a. Describe the new equipment, including:

1. Total cost ;(As defined by Agency Rule).

Equipment Value:

\$1,562,921

Maintenance:

624,880

TOTAL:

\$2,151,801

2. Expected useful life;

Response:

Life: 5 Years

3. List of clinical applications to be provided; and

Response:

A list of treatments is provided below:

DESCRIPTION	PRICE	HCPC
PET PET/CT LTD AREA	\$6,226.00	78814
PET PET/CT SKLL TO MDTHGH	\$6,226.00	78815
PET PET/CT WHOLE BODY	\$6,226.00	78816
PET PET/CT LTD AREA Q0	\$6,226.00	78814Q0
PET PET/CT SK T SMDGHG Q0	\$6,226.00	78815Q0
PET PET/CT WHOLE BODY QO	\$6,226.00	78816Q0

4. Documentation of FDA approval.

Response:

Documentation of FDA approval is provided as Attachment Section B, II, E, (1), a, 4

b. Provide current and proposed schedules of operations.

Response:

The proposed schedule is 8:00 am to 5:00 pm Monday - Friday

2. For mobile major medical equipment:

Response:

Not applicable

- a. List all sites that will be served:
- b. Provide current and/or proposed schedule of operations;
- Provide the lease or contract cost.
- d. Provide the fair market value of the equipment; and
- e. List the owner for the equipment.
- 3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Response:

Baptist Memorial Hospital - Tipton will relocate the equipment from 7945 Wolf River Blvd and will purchase new equipment. The quotes are provided in Attachment Economic Feasibility 1.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:
 - 1. Size of site (in acres);
 - 2. Location of structure on the site; and
 - 3. Location of the proposed construction.
 - 4. Names of streets, roads or highway that cross or border the site.

Response:

The size of site is 7.18 acres. Please refer to Attachment Section B, III, A(1)

Please note that the drawings do not need to be drawn to scale. Plot plans are required for <u>all</u> projects.

(B) 1 Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response:

Public transportation is easily accessible on Humphreys Boulevard and is shown in the plot plan.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

Response:

The floor plan is provided with BMHT areas on 2 floors. Please refer to Attachment Section B, IV. A penthouse on the top floor is

for mechanical equipment.

NOTE: <u>DO NOT SUBMIT BLUEPRINTS</u>. Simple line drawings should be submitted and need not be drawn to scale.

- V. For a Home Health Agency or Hospice, identify:
 - 1. Existing service area by County;
 - 2. Proposed service area by County;
 - 3. A parent or primary service provider;
 - 4. Existing branches; and
 - 5. Proposed branches.

Response:

Not applicable

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

- 1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

Response:

This application does not propose additional capacity or new services in the community. The Linear Accelerators, including the CyberKnife, and PET/CT equipment have all been previously approved through the CON process and will still serve the same population that was the basis for approval. The applicant cannot identify criterion or standards that are applicable except the criteria for chander of site addressed below.

5 Principals for Achieving Better Health found in the State Health Plan.

Response:

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

Response:

The proposed Center for Cancer Care is consolidating services and professionals to collaboratively address the health and treatment needs of oncology patients and their families. Access to the comprehensive outpatient cancer services at a single location, open to medical staff who apply for privileges and provided in a manner that encourages patients and their families to learn and participate to the extent possible in their personal care reflects the Healthy Lives principle.

2. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

Response:

Access to the Baptist Center for Cancer Care is not restricted by existing health status, employment, income, geography or culture. The services are designed to improve access to the full continuum of outpatient cancer services at one location. By involving a Disproportionate Share Hospital, services provided by the hospital in the local community can be sustained by support from the regional service area.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

Response:

The new center consolidates existing capacities which is an economically effective way of improving the health care system without unnecessarily duplicating services which directly improves the efficiency of the health care system. The new center innovatively applies new telecommunication tools and stimulates growth and development of new technologies for efficient application of new combinations of ideas in fighting the disease.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

Response:

The new center's telecommunication and electronic health record tools will ensure that patient information is appropriately accessible to providers and that patient treatments can be monitored. The availability of all outpatient treatment modalities in one location will enhance the patient's ability to make an appropriate treatment choice with guidance from medical professionals who are familiar with the characteristics of care and evidence-based practice guidelines.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

Response:

This project consolidates resources including healthcare professionals who are already engaged in providing the services. The proposed cancer center will provide outpatient cancer services in one location, where physicians, specialists, researchers, patients and families can work together to fight the disease. It brings together trained, experienced professionals at one site and promotes the development of multidisciplinary staff. Consolidation of chemotherapy that now occurs in the offices of multiple physicians will increase efficient use of personnel involved in chemotherapy services.

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

Response:

General Criterion and Standards (4)(a)-(c) are addressed as follows:

(a) Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed new site.

Response - The proposed site for the Baptist Center for Cancer Care will be no less conveniently accessible to the population of the service area. In addition, as discussed elsewhere in the application, the actual capital outlay to complete the project at the new site will be significantly less than the alternative of expanding the project

originally approved at the existing site. Finally, the new site will be provide better access to Baptist Memorial Hospital - Memphis for cancer patients who need services there

(b) Economic Factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.

Response - See the response to item (a) above. In addition, the new location will not result in any increase in patient charges.

(c) Contribution to the orderly development of health facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such changes delays are outweighed by the benefits that will be gained from the change of site by the population to be served.

Response - The time needed to complete the project at the new location will be only about 6 months more than the original projected completion date. The advantages of the new site easily outweigh the modest amount of additional time needed to complete the project.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

Response:

The Baptist Memorial Health Care system continuously reviews health needs throughout the region and is committed to providing Mid-South cancer patients, families, and physicians with the assurance and confidence that comes from excellent, compassionate, advanced care in the most effective manner possible.

The proposed Baptist Cancer Care Center will improve the delivery system using existing capacities in new surroundings. The strength from collective services for treating outpatient cancer patients will be more easily accessible to the people who need it most. The positive financial projections for the proposed project indicate that the expense of moving the equipment will be recovered. The affinities of related services at the cancer care center will improve the operational value of the interactions with the community.

This project is consistent with the long range development plan of Baptist, to accommodate the health needs of the community it serves while maintaining patient, physician and staff satisfaction with high quality and safety.

3. Identify the proposed service area <u>and</u> justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

Response:

A map is provided at Attachment Section C3. The Service Area is reasonable since it represents the origin of patients. The primary service area is Shelby, Tipton and Fayette counties in Tennessee. An

expanded secondary area is shown on the map to include all of the West Tennessee counties which will be served by the specialized treatments that the CyberKnife provides.

4. A. Describe the demographics of the population to be served by this proposal.

Response:

The estimated population for this year and the next 4 years is provided for primary service area in the following Chart.

Tennessee Population by County Source: TN Department of Health

COUNTY	2011	2012	2013	2014	2015	2016
Shelby	943,681	949,665	956,126	963,097	970,591	976,726
Fayette	38,728	39,245	39,818	40,435	41,105	41,453
Tipton	62,102	62,952	63,857	64,813	65,839	66.587
TOTAL	1,044,511	1,051,862	1,059,801	1,068,345	1,077,535	1,084,766

The estimated population for this year and the next 3 years is provided for the secondary service area in the following chart.

TENNESSEE POPULATION BY COUNTY Tennessee Department of Health

COUNTY	2010	2011	2012	2013	2014	2015
LAUDERDALE	27,888	28,127	28,360	28,641	28,918	29,220
DYER	38,716	38,865	39,039	39,238	39,450	39,682
LAKE	7,423	7,407	7,403	7,393	7,391	7,386
OBION	32,626	32,675	32,747	32,839	32,935	33,061
WEAKLEY	33,799	33,841	33,906	33,970	34,045	34,152
HENRY	32,394	32,525	32,672	32,834	33,002	33,179
BENTON	16,657	16,680	16,726	16,779	16,833	16,903
CARROLL	29,631	29,734	29,843	29,970	30,095	30,243
GIBSON	48,956	49,061	49,169	49,303	49,467	49,637
CROCKETT	14,944	15,063	15,191	15,336	15,494	15,664
HAYWOOD	19,662	19,678	19,725	19,786	19,851	19,949
MADISON	99,334	100,059	100,816	101,634	102,515	103,431
HARDEMAN	29,491	29,738	30,007	30,299	30,607	30,941
MCNAIRY	26,161	26,251	26,362	26,476	26,604	26,722
HARDIN	26,741	26,846	26,955	27,091	27,236	27,402
HENDERSON	27,584	27,767	27,955	28,170	28,390	28,626
DECATUR	11,516	11,494	11,495	11,509	11,519	11,546
CHESTER	16,645	16,760	16,893	17,031	17,179	17,322
CRAIGHEAD, AR	99,164	101,422	103,680	105,937	108,195	110,453
DESOTO, MS	148,616	151,501	154,385	157,270	160,154	163,039
MARSHALL, MS	37,128	37,288	37,448	37,608	37,768	37,928
Total	825,076	832,781	840,777	849,114	857,649	866,486

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.
 - B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the area population.

Response

Baptist Cancer Care Center will provide treatment services to the residents without regard to race, ethnic origin, ability to pay, religion, sex, or disability.

To evaluate the needs of the service area related to oncology, the rate of population growth was determined from 2010 to 2018. The data are shown in the tables below.

	2010			2018		
County	Total Population	under 60	over 60	2018	under 60	over 60
Shelby	918,680	771,060	147,620	938,404	749,862	188,542
Tipton	60,340	50,550	9,790	66,953	54,078	12,875
Fayette	41,553	34,383	9,535	51,076	41,973	9,103

Population	Growth 2010 - 2018				
County	Growth	Growth under 60	Growth over 60		
Shelby	2.1%	-2.7%	27.7%		
Tipton	11.0%	7.0%	31.5%		
Fayette	22.9%	22.1%	-4.5%		

Although the total population growth in Shelby County, for example, will be 2.1% overall, the growth in the over 60 category will increase 27.7%.

In order to calculate the incidence rate by county, the age group growth rate was used to determine the number of cancer cases in 2010 and 2018. The growth rate can then be

35 calculated by dividing the 2010 value by the 2018 value. For example, the Shelby County Growth Rate is 15.9%.

The calculation is: ((4809-4150)/4150) = 15.9% over 8 years.) The annual growth rate is determined by dividing 15.9% over 8 years; (0.159/8 =1.98%). Since the Shelby County annual population growth rate is the lowest of the three primary counties, future increases in service utilization at the Cancer Care Center were conservatively calculated using 1.98% per year.

Pool of expected cancer cases

	2010	2018	Growth	Per year
Shelby County	4,150	4,809	15.9%	1.98%
Tipton	275	335	21.8%	2.73%
Fayette	193	240	24.4%	3.04%
	4,618	5,384	16.6%	2.07%

Source: Tennessee Cancer Incidence by Age for region applies to the population for each county by age

In order to provide the services as described in the application for approximately 1,900 new cases in year one with continuing growth in subsequent years, demand exists for the proposed expansion.

The demand for the relocated and expanded facility is also demonstrated by the response from the medical community. The consolidated integrated physical resources will provide an environment that not only provides care in a single setting but also inspires continuous development and application of new techniques for meeting a cancer patient's needs.

Demand is readily demonstrated by the recent commitment of 3 groups of physicians to affiliate with the Baptist Memorial Health Care system. Three groups of oncologists have not only expressed interest in having offices in the same building as the BMH-Tipton Center for Cancer Care but they have also formally affiliated with the Baptist Memorial Health Care system through the Baptist Medical Group (BMG).

The groups formally affiliated with BMG after the CON for the initial proposal was approved. The additional interest and work volume has made changes in the layout and configuration of the services essential. Although other physicians may join the Medical staff as previously described in the application, the affiliated groups alone have increased the number of oncologists who are anticipated to potentially be actively providing infusion care at the new facility to 15. The projection for years 1 and 2, which is a ramp-up period, reflect the likelihood that physicians will continue to provide some chemotherapy in their offices in outlying areas. However, over time, it is expected that more of the infusion provided by these groups will migrate to the new facility. To accommodate the potential and the likelihood that other oncologists will use the facility, the building will be able

to expand to 88 infusion stations as necessary.

The laboratory, pharmacy and support systems also have the flexibility to expand accordingly. Space was realigned to ensure comfort and aesthetically pleasant surroundings for patients with workflow efficiencies and safety for staff.

Other changes to ensure quality care and efficient performance involve added investments such as \$3.5 million for low-voltage technologies including structured cabling, wireless systems, communications systems, sound and video, and patient entertainment systems.

Along with space for entire new departments such as Materials Management and Maintenance that are justified by the new size of the facility, areas for other clinical spaces like genetics and research have increased.

5. Describe the existing or certified services, including approved but unimplemented November 29, 2012 similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Response

In addition to the CyberKnife for BMH-Memphis, the applicant believes that only one other CON that is related to Cancer Care has been approved and is yet unimplemented. In July 2008, the HSDA approved acquisition of a CyberKnife Stereotactic Radiosurgery System to be installed at the main campus of St Francis Hospital in Memphis (CN803-023A).

For utilization of existing radiation therapy and PET/CT services, see Attachment Need, 5.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology <u>must include</u> detailed calculations or documentation from referral sources, and identification of all assumptions.

Response

As previously described, a growth rate of oncology utilization was calculated to be approximately 1.98% per year for Tennessee and less for patients from other states. To allow for construction, a period of about 36 months is allowed between 2011 and Year 1 shown below.

Year	Treatments
2,008	11,624
2,009	11,352
2,010	10,989
2,011	11,423
Year 1	11,796
Year 2	11,980
Year 3	12,167

PROJECT COSTS CHART

2012 NOV 15 PH 4: 24

		2012 NOV 15 PN 4: 24
A.	Construction and equipment acquired by purchase:	
	Architectural and Engineering Fees	\$ 2,737,942
	2. Legal, Administrative (Excluding CON Filing Fee),	
	Consultant Fees	48,000
	3. Acquisition of Site	11,000,000
	4. Preparation of Site	1,111,695
	5. Construction Costs	33,605,000
	6. Contingency Fund	4,221,643
	7. Fixed Equipment (not in included in Construction Contr	ract)11,121,960
	8. Moveable Equipment (List all equipment over \$50,000)	4,561,893
	9. Other (Specify) Maintenance, I/S, Videoconference	\$ 14,706,420
B.	A amodalita and a second and	,
D.	Acquisition by gift, donation, or lease:	
	Facility (inclusive of building and land)	-
	2. Building only (based on Lease Cost)	1,674,647
	3. Land only	, (H)
	4. Equipment (Specify)	
	5. Other (Specify)	
C.	Financian Costs and F	
C,	Financing Costs and Fees:	
	1. Interim Financing	•
	2. Underwriting Costs	-
	3. Reserve for One Year's Debt Service	
	4. Other (Specify)	100 mg/s
D	Folimeted B. 1. 10. 10.	
D.	Estimated Project Cost (A + B + C)	\$ 84,789,200
_	COM Filtra - Fa	·
E.	CON Filing Fee	\$ 45,000
_	Total Fating to LD 1 1 2 2 2 2	
F.	Total Estimated Project Cost (D + E)	
	TOTAL	\$ 84,834,200

2. Identify the funding sources for this project.³⁹

Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

- A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
 B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
 C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
 D. Grants--Notification of intent form for grant application or notice of grant award; or
 X E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- 3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

F. Other—Identify and document funding from all other sources.

Response

The cost of this project is reasonable. While the construction of new space to accommodate linear accelerators can be more than \$1,000 per sq ft, this project has an estimated cost of approximately \$640 per sq ft. for the vaults. A recent application for a project of this type was the CyberKnife approved for St Francis Hospital in 2008. The construction cost for approx. 1,200 sq ft was \$1,266,500 or approx. \$1,055 per sq ft.

4. Complete Historical and Projected Data Charts on the following two pages--<u>Do not modify</u> the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Response

The Historical Data Chart has been completed for the last three available fiscal years for operations at Baptist Memorial Hospital-Tipton.

The Projected Data Chart has been completed for the composite services that will be provided at the new outpatient cancer center. The services include Radiation Oncology, Chemo Therapy, PET and other diagnostic tests and other cancer treatment

services. The charges at the cancer center are the same as the charges for the same service at the hospital. The hospital charges will not change as a result of this project.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response

Radiation Therapy services will be used for this response.

Average Charge = \$17,036

Average Deduction = \$11,168

Average Net = \$5,868

41

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in Oct (Month)

Name			•	Year 2008		Year 2009		Year 2010		Year 2011
In Inpatient Services \$ 22,943,269 \$ 21,460,333 \$ 19,238,693 \$ 19,396,776 \$ 2,000 \$ 3 \$ 45,892,723 \$ 49,067,306 \$ 54,929,675 \$ 3 \$ 45,929,675 \$ 45,892,723 \$ 49,067,306 \$ 54,929,675 \$ 40,067,306 \$ 54,929,675 \$ 40,067,306 \$ 54,929,675 \$ 40,067,306 \$ 54,929,675 \$ 40,067,306 \$ 54,929,675 \$ 463,907 \$ 493,137 \$ 600 \$ 70,563,670 \$ 67,855,812 \$ 68,769,906 \$ 74,819,599 \$ 20,000 \$ 67,855,812 \$ 68,769,906 \$ 74,819,599 \$ 20,000 \$ 2	Α.	Utilization Date (Specify unit of measure)	pen	ding	pen	ding	pen	ding	pen	ding
2. Outpatient Services \$ 47,112,973 \$ 45,892,723 \$ 49,067,306 \$ 54,929,675 3. Emergency Services 4. Other Operating Revenue (specify)cafeteria_gift_shop_etc.	В.	The state of the s								
3. Emergency Services 4. Other Operating Revenue (specify)cafeterie.gift shop.etc. \$ 507,428 \$ 502,756 \$ 463,907 \$ 493,137 Gross Operating Revenue \$ 70,563,670 \$ 67,855,812 \$ 68,769,906 \$ 74,819,590 \$ 1.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 \$ 2.00 Contractual Adjustments \$ 37,620,5418 \$ 3,986,863 \$ 4,890,265 \$ 4,890,2		·	\$	22,943,269	\$	21,460,333	\$	19,238,693	\$	19,396,778
3. Emergency Services 4. Other Operating Revenue (specify)cafeterie, gift shop, etc. \$ 507,428 \$ 502,756 \$ 463,907 \$ 493,137 Gross Operating Revenue \$ 70,563,670 \$ 67,855,812 \$ 88,769,906 \$ 74,819,590 C. Deductions from Gross Operating Revenue 1. Contractual Adjustments \$ 37,762,189 \$ 36,091,391 \$ 37,627,340 \$ 42,125,561 C. Provision for Charity Care \$ 1,788,014 \$ 2,805,418 \$ 3,968,863 \$ 4,890,285 C. Provision for Bad Debt \$ 5,288,103 \$ 44,713,416 \$ 4,604,932 \$ 4,996,860 C. Provision for Bad Debt \$ 52,725,364 \$ 24,245,587 \$ 22,550,771 \$ 23,006,904 C. Depretating Expenses 1. Salarles and Wages \$ 13,530,057 \$ 12,571,662 \$ 12,297,694 \$ 12,754,919 C. Operating Expenses \$ 10,275,411 \$ 9,362,462 \$ 8,330,765 \$ 8,953,434 C. Taxes \$ 40,026 \$ 44,616 \$ 44,616 \$ 44,616 C. Depreciation \$ 1,158,604 \$ 1,098,512 \$ 1,149,973 \$ 1,087,257 C. Rent \$ 5 - \$ - \$ - \$ - \$ - \$ - \$ C. Interest, other than Capital \$ - \$ - \$ - \$ - \$ - \$ - \$ C. Other Expenses (Specify) _energy \$ 663,909 \$ 1,143,495 \$ 875,762 \$ 1,034,167 C. Capital Expenses Not (Specify) \$ 819,939 \$ 1,143,495 \$ 875,762 \$ 1,034,167 C. Capital Expense Control of Principal		2. Outpatient Services	\$	47,112,973	\$	45,892,723	\$	49,067,306	\$	54,929,675
C. Deductions from Gross Operating Revenue \$70,563,670 \$67,855,812 \$68,769,906 \$74,819,590 \$1. Contractual Adjustments \$37,762,189 \$36,091,391 \$37,627,340 \$42,125,561 \$2. Provision for Charity Care \$1,788,014 \$2,805,418 \$3,986,863 \$4,690,265 \$3. Provision for Bad Debt \$5,288,103 \$4,713,416 \$4,604,932 \$4,996,860 \$1. Total Deductions \$44,838,306 \$43,610,225 \$46,219,135 \$51,812,686 \$1. Total Deductions \$44,838,306 \$43,610,225 \$46,219,135 \$51,812,686 \$1. Total Deductions \$44,838,306 \$43,610,225 \$46,219,135 \$51,812,686 \$1. Total Deductions \$13,530,057 \$12,571,662 \$12,297,694 \$12,754,919 \$1. Total Deductions \$13,530,057 \$12,571,662 \$12,297,694 \$12,754,919 \$1. Total Deductions \$10,275,411 \$9,362,462 \$8,330,785 \$8,953,434 \$1. Taxes \$40,026 \$44,616										
C. Deductions from Gross Operating Revenue S 70,563,670 S 67,855,812 S 68,769,906 S 74,819,590		4. Other Operating Revenue (specify) <u>cafeteria, gift shop, etc.</u>	\$	507,428	\$	502,756	\$	463,907	\$	493,137
C. Deductions from Gross Operating Revenue 1. Contractual Adjustments 2. Provision for Charity Care 3. 1,788,014 3. Provision for Bad Debt 5. 2,881,013 4. 4,713,416 5. 4,604,932 5. 4,996,860 8. 5,288,103 8. 4,713,416 8. 4,604,932 8. 4,996,860 8. 4,3610,225 8. 46,219,135 8. 51,812,686 8. NET OPERATING REVENUE 9. 25,725,364 9. 24,245,587 9. 22,550,771 9. 23,006,904 D. Operating Expenses 1. Salaries and Wages 9. 13,630,057 9. 12,571,662 9. 12,297,694 9. 12,754,919 9. Physician's Salaries and Wages 9. 10,275,411 9. 9,362,462 9. 8,330,785 9. 893,834 4. Taxes 9. 10,275,411 9. 9,362,462 9. 8,330,785 9. 893,834 4. Taxes 9. 10,275,411 9. 9,362,462 9. 8,330,785 9. 893,834 4. Taxes 9. 10,275,411 9. 9,362,462 9. 8,330,785 9. 893,834 4. Taxes 9. 10,275,411 9. 9,362,462 9. 8,330,785 9. 893,834 9. 10,98,512 9. 11,149,973 9. 1,087,257 1. Interest, other than Capital 9. Other Expenses (Specify) _energy 9. 654,648 9. 999,263 9. 678,669 9. 705,259 Total Operating Expenses 9. 25,881,394 9. 24,017,309 9. 22,763,792 9. 23,724,863 9. 1,143,495 9. 1,088,783 9. 1,752,126 9. Capital Expenditures 1. Retirement of Principal 9. Interest 1. Total Capital Expenditures 1. Retirement of Principal 9. Interest 1. Total Capital Expenditures 1. Retirement of Principal 9. Interest 1. Total Capital Expenditures 1. Retirement of Principal 9. Interest 1. Retirement of Principal 9. Interest 1. Retireme		Gross Operating Revenue	\$	70,563,670	\$	67,855,812	\$	68,769,906	\$	
2. Provision for Charity Care \$ 1,788,014 \$ 2,805,418 \$ 3,996,863 \$ 4,690,265 \$ 5,288,103 \$ 4,713,416 \$ 4,604,932 \$ 4,996,860 \$ 1,000 \$ 44,838,306 \$ 43,610,225 \$ 46,219,135 \$ 51,812,686 \$ 1,000 \$ 1,	C.	Deductions from Gross Operating Revenue								
2. Provision for Charity Care \$ 1,788,014 \$ 2,805,418 \$ 3,986,863 \$ 4,690,265 \$ 3, Provision for Bad Debt \$ 5,288,103 \$ 4,713,416 \$ 4,604,932 \$ 4,996,860 \$ NET OPERATING REVENUE \$ 25,725,364 \$ 24,245,587 \$ 22,550,771 \$ 23,006,904 \$ 1.000		Contractual Adjustments	\$	37,762,189	\$	36,091,391	\$	37,627,340	\$	42,125,561
Society		2. Provision for Charity Care	\$	1,788,014	\$	2,805,418	\$	3,986,863	\$	
NET OPERATING REVENUE \$ 44,838,306 \$ 43,610,225 \$ 46,219,135 \$ 51,812,686		3. Provision for Bad Debt	\$	5,288,103	\$	4,713,416	\$	4,604,932	S	
NET OPERATING REVENUE \$ 25,725,364 \$ 24,245,587 \$ 22,550,771 \$ 23,006,904			\$	44,838,306	\$	43,610,225	\$			
D. Operating Expenses 1. Salarles and Wages 2. Physician's Salaries and Wages 3. Supplies 4. Taxes 5. August		NET OPERATING REVENUE	\$	25,725,364	\$	24,245,587	\$	22,550,771	\$	
2. Physician's Salaries and Wages \$ 222,648 \$ 240,794 \$ 262,055 \$ 179,378 3. Supplies \$ 10,275,411 \$ 9,362,462 \$ 8,330,785 \$ 8,953,434 4. Taxes \$ 40,026 \$ 44,616 \$ 44,616 \$ 44,616 \$ 0.000 \$	D.	Operating Expenses				,				
2. Physician's Salaries and Wages \$ 222,648 \$ 240,794 \$ 262,055 \$ 179,378 3 Supplies \$ 10,275,411 \$ 9,362,462 \$ 8,330,785 \$ 8,953,434 4 Taxes \$ 40,026 \$ 44,616 \$ 44,616 \$ 44,616 5 Depreciation \$ 1,158,604 \$ 1,098,512 \$ 1,149,973 \$ 1,087,257 6 Rent \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		<u> </u>	\$	13,530,057	\$	12,571,662	\$	12,297,694	\$	12,754,919
3. Supplies \$ 10,275,411 \$ 9,362,462 \$ 8,330,785 \$ 8,953,434 4. Taxes \$ 40,026 \$ 44,616 \$ 44,616 \$ 44,616 \$ 5. Depreciation \$ 1,158,604 \$ 1,098,512 \$ 1,149,973 \$ 1,087,257 6. Rent \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		Physician's Salaries and Wages	\$	222,648	\$	240,794	\$	262,055	\$	
4. Taxes \$ 40,026 \$ 44,616 \$ 44,616 \$ 44,616 \$ 44,616 \$ 5. Depreciation \$ 1,158,604 \$ 1,098,512 \$ 1,149,973 \$ 1,087,257 6. Rent \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		3. Supplies	\$	10,275,411	\$	9,362,462	\$		\$	
5. Depreciation \$ 1,158,604 \$ 1,098,512 \$ 1,149,973 \$ 1,087,257 6. Rent \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		4. Taxes	\$_	40,026	\$	44,616	\$			
6. Rent 7. Interest, other than Capital 8. Other Expenses (Specify)energy \$ 654,648 \$ 699,263 \$ 678,669 \$ 705,259 Total Operating Expenses \$ 25,881,394 \$ 24,017,309 \$ 22,763,792 \$ 23,724,863 E. Other Revenue (Expenses) - Net (Specify) \$ 819,939 \$ 915,217 \$ 1,088,783 \$ 1,752,126 NET OPERATING INCOME (LOSS) \$ 663,909 \$ 1,143,495 \$ 875,762 \$ 1,034,167 F. Capital Expenditures 1. Retirement of Principal 2. Interest		5. Depreciation	\$	1,158,604	\$	1,098,512	\$			
8. Other Expenses (Specify)energy_		6. Rent	\$:53	\$		\$	-	\$	
Total Operating Expenses 25,881,394 \$ 24,017,309 \$ 22,763,792 \$ 23,724,863		7. Interest, other than Capital	\$	5#0	\$	-	\$:40		
Total Operating Expenses 25,881,394 \$ 24,017,309 \$ 22,763,792 \$ 23,724,863		Other Expenses (Specify)energy	\$	654,648	\$	699,263	\$	678,669	\$	705,259
NET OPERATING INCOME (LOSS) \$ 663,909 \$ 1,143,495 \$ 875,762 \$ 1,034,167 F. Capital Expenditures 1. Retirement of Principal 2. Interest Total Capital Expenditures \$ - \$ - \$ NET OPERATING INCOME (LOSS)		Total Operating Expenses	\$	25,881,394	\$	24,017,309	\$	22,763,792	\$	
NET OPERATING INCOME (LOSS) \$ 663,909 \$ 1,143,495 \$ 875,762 \$ 1,034,167 F. Capital Expenditures 1. Retirement of Principal 2. Interest Total Capital Expenditures \$ - \$ - \$ NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	E.	Other Revenue (Expenses) - Net (Specify)	\$	819,939	\$	915,217	\$	1,088,783	\$	1,752,126
F. Capital Expenditures 1. Retirement of Principal 2. Interest Total Capital Expenditures \$ - \$ - \$ NET OPERATING INCOME (LOSS)		NET OPERATING INCOME (LOSS)	\$	663,909	\$	1,143,495			\$	
2. Interest Total Capital Expenditures \$ - \$ - \$ - \$ NET OPERATING INCOME (LOSS)	F.	Capital Expenditures								,
Total Capital Expenditures \$ - \$ - \$ - \$ NET OPERATING INCOME (LOSS)		Retirement of Principal								
NET OPERATING INCOME (LOSS)		2. Interest								
NET OPERATING INCOME (LOSS)		Total Capital Expenditures	\$		\$		\$		\$	-
LESS CADITAL EXPENDITURES		NET OPERATING INCOME (LOSS)							•	
		I TOO OLD THE	\$	663,909	\$	1,143,495	\$	875,762	\$	1,034,167

SUPPLEMENTAL-#1

November 29, 2012 10:44am

PROJECTED DATA CHART 9 AM 10 45

2012 NUM 29

Give information for the last two (2) years following the completion of this proposal.

The fiscal year begins in OCT (Month)

			Year 1		Year 2
A.	Utilization Data (Specify unit of measure)				
	Chemotherapy Patients	·	816		833
	Rad Onc Treatments		11,796		11,980
	PET		2,296		2,342
В.	Revenue from Services to Patients				
	Inpatient Services	\$	1,946,019	\$	2,012,265
	2. Outpatient Services	\$	160,349,746	\$	166,921,281
	3. Emergency Serivces				
	Other Operating Revenue (specify)				
	Gross Operating Revenue	\$	162,295,765	\$	168,933,546
C.	Deductions from Gross Operating Revenue				
	Contractual Adjustments	\$	95,671,544	\$	99,587,196
	2. Provision for Charity Care	\$	4,534,643	\$	4,722,402
	3. Provision for Bad Debt	\$	5,031,789	\$	5,237,560
	Total Deductions	\$	105,237,976	\$	109,547,158
	NET OPERATING REVENUE	\$	57,057,789	\$	59,386,388
D.	Operating Expenses	,			
	1. Salaries and Wages	\$	11,133,610	\$	11,573,055
	2. Physician's Salaries and Wages	\$	220,414	\$	229,430
	3. Supplies	\$	23,834,110	\$	24,979,500
	4. Taxes				
	5. Depreciation	\$	4,919,753	\$	4,919,753
	6. Rent)
	7. Interest, other than Capital	-		-	
	Other Expenses (maint, contract, util, billing mktg)	\$	8,012,565	\$	8,670,758
	Total Operating Expenses		48,120,452	\$	50,372,496
E.	Other Revenue (Expenses) - Net (Specify)				53.2
	NET OPERATING INCOME (LOSS)	\$	8,937,337	\$	9,013,892
F	Capital Expenditures				, ,
	Retirement of Principal				
	2. Interest	-			
	Total Capital Expenditures	-		-	
	NET OPERATING INCOME (LOSS)			-	
	LESS CAPITAL EXPENDITURES	\$	8,937,337	\$	9,013,892
	LEGG ON THAL ENTERDITORIES	Ψ	019011001	Ψ	0,010,002

SUPPLEMENTAL-#1

HISTORICAL DATA CHART

November 29, 2012 10:44am

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in <u>OCT</u> (Month)

	of agency. The fiscal year	-	Year 2017 NOV	29	AM 10 4	5	/ear 2010	Y	'ear 2011
Α.	Utilization Data (Inpatient Days: Outpatient Visits)		171: 42,353		424: 40,379		654: 36,662	5,0	38: 37,265
	Revenue from Services to Patients		,						Q
	Inpatient Services	\$	22,943,269	\$	21,460,333	\$	19,238,693	\$	19,396,778
	2. Outpatient Services	\$	47,112,973	\$	45,892,723	\$	49,067,306	\$	54,929,675
	3. Emergency Serivces								
	4. Other Operating Revenue (specify) <u>cafeteria</u> ,	-3-							
	gift shop, etc.	\$	507,428	\$	502,756	\$	463,907	\$	493,137
	Gross Operating Revenue	\$	70,563,670	\$	67,855,812	\$	68,769,906	\$	74,819,590
C.	Deductions from Gross Operating Revenue								
	1. Contractual Adjustments	\$	37,762,189	\$	36,091,391	\$	37,627,340	\$	42,125,561
	2. Provision for Charity Care	\$	1,788,014	\$	2,805,418	\$	3,986,863	\$	4,690,265
	3. Provision for Bad Debt	\$	5,288,103	\$	4,713,416	\$	4,604,932	\$	4,996,860
	Total Deductions	\$	44,838,306	\$	43,610,225	\$	46,219,135	\$	51,812,686
	NET OPERATING REVENUE	\$	25,725,364	\$	24,245,587	\$	22,550,771	\$	23,006,904
D.	Operating Expenses								
	1. Salaries and Wages	\$	13,530,057	\$	12,571,662	\$	12,297,694	\$	12,754,919
	2. Physician's Salaries and Wages	\$	222,648	\$	240,794	\$	262,055	\$_	179,378
	3. Supplies	\$	7,683,819	\$	6,702,698	\$	5,625,469	\$	5,996,934
		\$	40,026	\$	44,616	\$	44,616	\$	44,616
	5. Depreciation	\$	1,158,604	\$	1,098,512	\$	1,149,973	\$	1,087,257
	6. Rent		36					,	
	7. Interest, other than Capital								
	8. Management Fees:								
	a. Fees to Affilitates	\$	2,591,592	\$	2,659,764	\$	2,705,316	_\$_	2,956,500
	b. Fees to Non-Affilitates					411			
	9. Other Expenses (Specify on separate page)	\$	654,648	\$	699,263	\$	678,669	\$	705,259
	Total Operating Expenses	\$	25,881,394	\$	24,017,309	\$	22,763,792	\$	23,724,863
E.	Other Revenue (Expenses) - Net (Specify)	\$	819,939	\$	915,217	\$	1,088,783	\$	1,752,126
	NET OPERATING INCOME (LOSS)	\$	663,909	\$	1,143,495	\$	875,762	\$	1,034,167
F,	Capital Expenditures								
	Retirement of Principal	1		-					
	2. Interest								
	Total Capital Expenditures	\$	3/	S	=	\$		\$	
	NET OPERATING INCOME (LOSS)					*(
	LESS CAPITAL EXPENDITURES	\$	663,909	\$	1,143,495	\$	875,762	\$	1,034,167

SUPPLEMENTAL-#1

November 29, 2012 10:44am

HISTORICAL DATA	CHART-OTHER	EXPENSESO	10 45
THO TOMICALI DATA	CHAIRI-O HIDIN	TOUT TO WOTTEN	TO

OTHER EXPENSES CATEGORIES	Year 20082012	WHa 2 2009 11	Year 2010	Year 2011
1. Energy Expenses	\$ 654,648	\$ 699,263	\$ 678,669	\$ 705,259
2				
3				
4				
5				
6				
7				
Total Other Expenses	\$ 654,648	\$ 699,263	\$ 678,669	\$ 705,259

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year	1	Ye	ar 2
1. Maintenance	\$	754,960	\$	1,344,115
2. Outside Professional Services	\$	786,763	\$	605,559
3. Billing	\$ 1,	340,340	\$	1,399,383
4. Marketing	\$	750,000	\$	750,000
5. Utilities, Janitorial, etc	\$ 1,	399,967	\$	1,441,966
6. Other	\$ 2,	980,535	\$	3,129,735
7	9		7******	
Total Other Expenses	\$ 8,	012,565	\$	8,670,758

November 29, 2012 10:44am

PROJECTED DATA CHART

Give information for the last two (2) years following (26) completion of this product 15. The fiscal year begins in OCT (Month)

		Year 1		Year 2
A.	Utilization Data (Specify unit of measure)	240		022
	Chemotherapy Treatments	 816		833
	Rac Onc Treatments (includes cyberknife)	 11,796		11,980
	PET .	2,296		2,342
В	Revenue from Services to Patients			
μ,	Inpatient Services	\$ 1,946,019	\$	2,012,265
	2. Outpatient Services	\$ 160,349,746	\$	166,921,281
	3. Emergency Serivces			
	4. Other Operating Revenue (specify)			
	Gross Operating Revenue	\$ 162,295,765	\$	168,933,546
C.	Deductions from Gross Operating Revenue			
	Contractual Adjustments	\$ 95,671,544	\$	99,587,196
	2. Provision for Charity Care	\$ 4,534,643	\$	4,722,402
	3. Provision for Bad Debt	\$ 5,031,789	\$	5,237,560
	Total Deductions	\$ 105,237,976	\$	109,547,158
	NET OPERATING REVENUE	\$ 57,057,789	\$	59,386,388
D	Operating Expenses			
	Salaries and Wages	\$ 11,133,610	\$	11,573,055
	Physician's Salaries and Wages	\$ 220,414	\$	229,430
	3. Supplies	\$ 23,834,110	\$	24,979,500
	4. Taxes		-	
	5. Depreciation	\$ 4,919,753	\$	4,919,753
	6. Rent			
	7. Interest, other than Capital			
	8. Management Fees:			
	a. Fees to Affilitates			
	b. Fees to Non-Affilitates	 		
	Other Expenses (Specify on separate page)	\$ 8,012,565	\$	8,670,758
	Total Operating Expenses	\$ 48,120,452	\$	50,372,496
F.	Other Revenue (Expenses) - Net (Specify)			
	NET OPERATING INCOME (LOSS)	\$ 8,937,337	\$	9,013,892
F.	Capital Expenditures			192
	Retirement of Principal			
	2. Interest	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	Total Capital Expenditures	\$ 9 🖷	\$	
	NET OPERATING INCOME (LOSS)			
	LESS CAPITAL EXPENDITURES	\$ 8,937,337	\$	9,013,892
	MANA ALII III MAN MINNI MINNI MINNI	-11	-	

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES 1. Energy Expenses	Year 2008 \$ 654,648	Year 2009 \$ 699,263	Year 2010 \$ 678,669	Year 2011 \$ 705,259
2				- 100,207
3				
4				
5			-	
6			-	
7				
Total Other Expenses	\$ 654,648	\$ 699,263	\$ 678,669	\$ 705,259

PROJECTED DATA CHART-OTHER EXPENSES

THOUSE STATE	CHIMI-OTHER	EVI FILORO
OTHER EXPENSES CATEGORIES	Year 1	Year 2
1. Maintenance	\$ 754,960	\$ 1,344,115
2. Outside Professional Services	\$ 786,763	\$ 605,559
3. Billing	\$ 1,340,340	\$ 1,399,383
4. Marketing	\$ 750,000	\$ 750,000
5. Utilities, Janitorial, etc	\$ 1,399,967	\$ 1,441,966
6. Other	\$ 2,980,535	\$ 3,129,735
7		
Total Other Expenses	\$ 8,012,565	\$ 8,670,758

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Response

The charge schedules will not change for this proposal. The current and proposed charges will be the same. Below are the hospital charges for Radiation Therapy by HCPCs codes, Chemo Therapy by APC codes, and PET by HCPCs code.

HCPCS Code			aptist harge
77290	Set radiation therapy field	\$254.37	\$ 968
77300	Radiation therapy dose plan	\$98.31	\$ 288
77336	Radiation physics consult	\$98.31	\$ 546
77370	Radiation physics consult	\$98.31	\$ 608
77470	Special radiation treatment	\$363.50	\$ 1,888
G0339	Robot lin-radsurg com, first	\$3,411.44	\$ 7,634
77295	Set radiation therapy field	\$885.71	\$ 3,051
77334	Radiation treatment aid(s)	\$182.06	\$ 719
G0340	Robt lin-radsurg fractx 2-5	\$2,376.39	\$ 5,577
77301	Radiotherapy dose plan, imrt	\$885.71	\$ 2,401
77338	Design mlc device for imrt	\$182.06	\$ 719

Description	Price	CPT	OPPS Reimb
96409-CHEMO IV PUSH SNGLE OR INIT	\$240.00	96409	122.61
96411-CHEMO IV PUSH EA ADD NEW DR	\$226.00	96411	72.51
96413-CHEM INF INIT SGLE 1HR	\$770.00	96413	196.51
96415-CHEMO IV INFUS EA ADD HR	\$83.00	96415	35.2
96417-CHEM INF EA ADD SEQ	\$83.00	96417	72.15
96521-REFILL/MAINT PORTABLE PUMP	\$350.00	96521	122.61
IRRIGATE IMPLANTED VAD	\$91.00	96523	41.61

DESCRIPTION	PRICE	HCPCS
PET PET/CT LTD AREA	\$6,226.00	78814
PET PET/CT SKLL TO MDTHGH	\$6,226.00	78815
PET PET/CT WHOLE BODY	\$6,226.00	78816
PET PET/CT LTD AREA Q0	\$6,226.00	78814Q0
PET PET/CT SK T MDTHGH Q0	\$6,226.00	78815Q0
PET PET/CT WHOLE BODYQ0	\$6,226.00	78816Q0

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response

As previously discussed in question 6A, the charges that are currently applicable at Baptist Memorial Hospital - Tipton will not change as a result of this project. The charge schedules will not change for this proposal. The current and proposed charges will be the same. Below are the hospital charges and Medicare reimbursement amounts for Radiation Therapy by HCPCs codes, Chemo Therapy by APC codes.

HCPCS Code	Short Descriptor	Medicare Reimbursement	Baptist Charge	
77290	Set radiation therapy field	\$254.37	\$	968
77300	Radiation therapy dose plan	\$98.31	\$	288
77336	Radiation physics consult	\$98.31	\$	546
77370	Radiation physics consult	\$98.31	\$	608
77470	Special radiation treatment	\$363.50	\$	1,888
G0339	Robot lin-radsurg com, first	\$3,411.44	\$	7,634
77295	Set radiation therapy field	\$885.71	\$	3,051
77334	Radiation treatment aid(s)	\$182.06	\$	719
G0340	Robt lin-radsurg fractx 2-5	\$2,376.39	\$	5,577
77301	Radiotherapy dose plan, imrt	\$885.71	\$	2,401
77338	Design mlc device for imrt	\$182.06	\$	719

Description	Price	CPT	OPPS Reimb
96409-CHEMO IV PUSH SNGLE OR INIT	\$240.00	96409	122.61
96411-CHEMO IV PUSH EA ADD NEW DR	\$226.00	96411	72.51
96413-CHEM INF INIT SGLE 1HR	\$770.00	96413	196.51
96415-CHEMO IV INFUS EA ADD HR	\$83.00	96415	35.2
96417-CHEM INF EA ADD SEQ	\$83.00	96417	72.15
96521-REFILL/MAINT PORTABLE PUMP	\$350.00	96521	122.61
IRRIGATE IMPLANTED VAD	\$91.00	96523	41.61

HCPCS Code	Short Descriptor	CI	_	APC	Weight			Minimum Unadjusted Copayment	Tipton Actual Payment
	Chemo iv push sngl drug		S	0439	1.8648	\$128.44		\$25.69	\$122.61
	Chemo iv push addl drug		S	0438	1.0974	\$75.58		\$15.12	\$72.15
96413	Chemo iv infusion 1 hr		S	0440	2.9888	\$205.86	-	\$41.18	\$196.51
96415	Chemo iv infusion addl hr		S	0437	0.5354	\$36.88		\$7.38	\$35,20
96417	Chemo iv infus each addl seq		S	0438	1.0974	\$75.58		\$15.12	\$72.15
	Refil/maint portable pump		-	0439	1.8648	\$128.44		\$25.69	\$122.61
96523	lrrig drug delivery device		Q1	0624	0.6328	\$43.58	\$12.65	\$8.72	\$41.61

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

Response

Implementation of the project will not result in an increase of the charges to the patient. The projected data charts demonstrate that the Cancer Care Center will have a positive income. The existing utilization base will remain intact.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

Response

The projected data charts demonstrate that the Cancer Care Center will have a positive income. The utilization of existing equipment will remain intact. The addition of other related outpatient services in one location will improve the productivity of the resources.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Response

	Gross	% of
Category	Revenue	Gross
Medicare	\$64,918,306	40%
TennCare/Medicaid	\$4,868,873	3%
Charity	-\$4,534,643	2.8%

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response

The Balance Sheets and Income Statements are provided as Attachment C Economic Feasibility 10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.
- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response:

The only alternative to the project described in this application would be the cancer center as approved in CN1105-018A, modified as described in the application for CN1205-026, which was withdrawn. The total actual capital outlay for these combined projects would have been approximately \$94,045,916. The actual capital outlay for the project described in this application is approximately \$73,834,200. Thus, the relocation and reconfiguration of the project described herein will save approximately \$20,211,716. IN addition, the new location of the cancer center will be better for patients and physicians who need access to BMHM.

The current center for cancer care will more effectively improve the healthcare system, encourage access to resources and materials and enhance proactive and reactive responses to a broader scope of cancer patients' needs.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Response

As part of BMHT, the Baptist Center for Cancer Care will continue relationships with entities throughout the Baptist system. The center will serve the same populations and will have electronic capabilities to reinforce communications with referring physicians and professionals across the region. The center will be close to BMHM and the new integration of services creates opportunities to build working relationships with other networks.

Access for area physicians and patients will not be complicated by the new organizational arrangement or by the move. The Center for Cancer Care will be available to any qualified physician who applies and receives privileges.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response

This project will benefit the health care system by improving the effectiveness of existing equipment and services. No new major medical equipment that requires CON approval is involved and negative effects are not anticipated. The current utilization will be maintained and projections of modest growth are based on the growth of the over 60 population cohort.

The new center will provide an additional degree of support for a smaller community hospital in Tipton County.

Enhancing appropriate utilization of existing equipment and providing development opportunities for patients, families and professionals as they learn and do more to fight cancer are all positive effects.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Response

92.88 FTE's are anticipated to staff the new center.

Updated 2012 CON	FTE	Wages
ASSISTANT-OFFICE II	1.44	\$ 9.99
CLERICAL/SCHEDULING/CHART MANAGEMENT STAFF		7 0.00
(NO BILLERS OR RECORDS CODERS)	11.6	\$ 12.75
CLERK-GENERAL II	0.21	\$ 11.57
CLINCIAL AND NURSING PRACTICE MANAGER	1.0	\$ 33.83
CLINIC AND SCHEDULING MANAGER	2.0	\$ 21.81
DIRECTOR-RADIATION ONCOLOGY	1.02	\$ 55.11
DOSIMETRIST	2.12	\$ 47.61
ECHO TECH	1	\$ 27.84
FINANCIAL COUNSELOR	2.4	\$ 16.27
INFUSION THERAPY SERVICE DIRECTOR	1.0	\$ 35.53
LAB TECH's/MA's	12.0	\$ 20.77
NUCLEAR MEDICINE TECH	1	\$ 29.23
NURSE-HEAD	1.12	\$ 27.84
NURSE-REGISTERED	1.87	\$ 26.51
NURSING (EMR, QUALITY & DATA MANAGEMENT)	1.0	\$ 27.84
NURSING (RN's): CHEMO INFUSION	15.0	\$ 26.51
NURSING (RN's): STAT/INJECTIONS	1.8	\$ 26.51
NUTRITIONAL COUNSELOR	1.2	\$ 25.25
PET/CT TECH	1	\$ 24.05
PHARM TECH	4.0	\$ 15.70
PHARMACIST	4.0	\$ 52.49
PHLEBOTOMIST	4	\$ 12.75
RADIOLOGY TECH	1	\$ 24.05
SOCIAL WORKER	1.2	\$ 24.50
SUPERVISOR-RADIATION ONCOLOGY	1.02	\$ 17.94
THERAPIST-RADIATION LEAD	2.00	\$ 30.69
THERAPIST-RADIATION	6.47	\$ 29.23
TRANSCRIPTIONIST	1.2	\$ 14.06
VALET/TRANSPORTER	1.2	\$ 11.02
PHYSICIST	1	\$ 81.43
RN NAVIGATORS	2	\$ 26.51
ADMIN SEC	1	\$ 21.81
GENETICS COUNSELOR	2	\$ 27.84

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response

Since most staff are already actively involved, recruitment difficulties are not anticipated.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

Response

BMHT is an established Joint Commission accredited hospital licensed by the Tennessee Department of Health. The facility understands requirements and regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping and staff education.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Response

Baptist Memorial Health Care Corporation and BMHT are strong supporters of educational opportunities throughout the region. Baptist's Philosophy and Mission for the system states that, "... it seeks to ENCOURAGE, GUIDE, and INSTRUCT those individuals entering into professions related to the healing of the body, mind and spirit."

Baptist Memorial College of Health Sciences was chartered in 1994 as a specialized college offering baccalaureate degrees in nursing and in allied health sciences as well as continuing education opportunities for healthcare professionals.

The four year BHS degree includes radiology training in areas of radiation therapy, nuclear medicine, diagnostic medical services, and radiographic technology.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response

BMHT has reviewed and understands the licensure requirements of the Department of Health and applicable Medicare requirements.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Tennessee Department of Health

Accreditation: Joint Commission

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response

The current license is provided as an attachment.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response

The last completed licensure/certification survey with an approved plan of correction is included as an attachment.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response

There are no final orders or judgments to report.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

Response

There are no final civil or criminal judgments to report.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response

BMHT will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

56 PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Response

A page from the Commercial Appeal is provided.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- 2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004 Revised 02/01/06 Previous Forms are obsolete We take Itali. The trash tool tack 901-299-8363

DIABETIC TEST Strips Needed 55 CASH SS paid most types. Up to \$10/box. Call: \$10/box. Call; (731)468-6964

S CASH FOR JUNK CARS

RUCK 5,5\$VANS& BUSES Espanol. 901-357-9004 or 901-872-8121

CALL ME BEFORE U SELL

Furn., appls., House fulls, etc Vaughan Furniture 323-3393



Activitles

405 - Fitness & Exercise

425 - Campers, Travel Trailer & Molor Homes

Hunting and Fishing Needs 4



SUPPRESSOR READY .22
LR pistols in stock by
Browning, Sig, 656/ATI,
Ruger, S&W, Umarex, C
Waither, Also .22LR sound
suppressors available for
pistols or rifles. All NFA
rules apply. ARMS-FAIR
(Memphis Class 3 NFA
dealer) 7845 Trinity Road
Sulte 103, Cordovs, TN
www.arms-fair.com



NUNTING LAND For Sale, Deer & turkey, loc, in W. TN-Henry Co., approx, 30 II. SW of Kentucky Lake, 150 Acres mere or less to be surveyed, approx 15 mil. Food frontage, \$2000/Acre. Serious buyers only, cell 31-352-9386 731-872-3417



UN REPAIR, barrel inreading, sights or scopes installed, safely theck and gun cleaning action work by certified auusmith. ARMS-FAIR Memphis Class 3 NFA Sealer) 7845 Trinity Read totte 103, Cordova TN www.arms-fair.com

kW Mod. 41, A series, 1978 with box. \$800. Excellent padition! Browning Citori ussite. Lightning 12ga o/u-rbarrel. Nitrate receiver, crew-in chokes, like nib. 1950. Hhace mod. 37, ultra jnt, 12ga 36 barrel, screw-in chokes, like nib. \$700. 901-486-4100



S&W AR 223 with accessories - \$1000. Remington 870 16ga shotgun in box \$300. 901-496-2024 Tunica, County Duck Lease Call Gary Balley 901-326-2115

SIG P220, like new, 45ACP, night sight, 3 mags, box, \$725; Ruger Bearcat, SA, 22LR, like new, box, \$375, 901-233-6152

TAXIDERMY: \$175 Duck or bass mount, Fast syc. Qual, work, We Mount ALL TRO-PHIE5!! Lakeside Kennels & Taxidermy. 879-732-0455

Sporting Goods 4 15 Games and Hobbies

JUKE BOXES 45 rpm & CD also pinball, PacMan, sports/driving games. Re-stored for your game room! 901-751-3413 or 901-277-5900

Boats, Motors 42



405 - Fitness & Exercise
Equipment
411 - Hunting & Fishing Needs
415 - Sporting Goods, Games &
Hobbles
421 - Boats, Motors & Supplies
421 - Boats, Motors & Supplies
425 - Campers, Travel Trailer
425 - Campers, Travel Trailer

Campers, Travel Trailers 425 Motor Homes

39fl, 2010 Travel Trailer. One owner, Super silde like new. 2 air conditioners & Central Air, \$19,500, Can be seen in Lakeland, Tn. 251-214-3253, 251-610-7474

Legal Notices: 526

SUBSTITUTE TRUSTEE'S
SALE
Sale at public auction will be
on January 8, 2013 at
11:00AM local time, at the
southwest door, the Adams Avenue entrance of
the Shelby County Courthouse, Memphis, Tennessee pursuant to Deed of
Trust executed by Quoc
Den Lem, a single person,
to Arnold M, Welss, ESQ,
Trustee, es trustee for
Wells Fargo Bank, N.A. on
December 17, 2009 at Instrument No. 09/4603
conducted by Shapiro &
strument No. 109/4603
conducted by Shapiro &
strument No. 109/4603
conducted by Shapiro &
successor Trustee, all of
record in the Shelby
County Register's Office.
Default has occurred in
the performance of the
covenants, terms, and
conditions of seld Deed of
Trust and the entire Indebledness has been declared due and payable.
Parfy Entitled to Enforce
the Debt: Owner of Debt:
Wells Fargo Bank, NA
The following real estate located in Shelby County,
Tennessee, will be sold to
the highest call bidder:
Described properly located
at Shelby, County, Tennessee, to Will
The East 10 feet of LO SA
son west 10 feet of LO SA
son SA
so

Tennessee, as described as:
Beginning at a point in the north line of Wells Station Road 300 feet east of the east line of Tent Road; thence north parallel to the east line of Tent Road 181 feet; thence east parallel to the north line of Wells Station Road 50 feet; thence south parallel to the east line of Tent Road 181 feet to e point in the north line of Wells Station Road; thence well with the north line of Wells Station Road; thence west with the north line of Wells Station Road 50 feet to the point of beginning.

арият іменнонаї пеанні баге богрогаtion, 350 N. Humphreys Blvd, Memphis, TN 38120, (901) 227-4137.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-112 1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Baptist Memorial Hospital-Tipton (BMHT), a hospital with an owner-ship type of Corporation and managed by itself intends to file a Certificate of Need application to relocate the Baptist Center for Cancer Care from its CON approved site at 1238 and 1280 South Germantown Parkway, Germantown, Tennessee 38138 to the building known as The Shops of Humphreys Center at 50 Humphreys Boulevard, Memphis, Tonnessee 38120. The proposed new location also includes space conveniently located in nearby buildings at 80 Humphreys Center and 6029 Walnut Grove Road, The Cancer Center project includes relocation of a positron emission temography (PET/CT) unit, initiation of linear accelerator services, and acquisition of major medical equipment and related assels currently owned and operated by Baptist Memoria Hospital-Memphis (BMHM). The project involves relocating from BMHM two (2) linear accelerators and other radiation oncology equipment along with the CyberKnife linear accelerator. One of the existing linear accelerators to be relocated from BMHM will be replaced when installed at the Baptist Center for Cancer Care. The PET/CT unit to be relocated to Baptist Center for Cancer Care will be a replacement of the BMHT PET/CT currently located at 7945 Wolf River Blvd, Ger-manlown, TN 38138. The hospital lotal Cancer Center space is approximately 153,200 square feet. The project does not involve the addition of beds or any other service for which a certificate of need is required. The estimated project cost, by rule is \$ 84,834,200. The anticipated date of filing the application is November 15, 2012. The contact person for this project is Arthur Maples, Dir. Strategic Analysis, who may be reached at Baptist Memorial Health Care Corporation, N. Humphreys Blvd, Memphis, TN 38120, (901) 227-4137.

Upon written request by Interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to

Health Services and Development Acency
Andrew Jackson Building 500 Deaderick Street, Suite 850 Nastiville, Tennessee 37243

The published Letter of Intent must contain the following The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (ii) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application

EXIST IN UNRELEASED
JUDGMENT
RECORD AT INSTRUMENT NO. 05042597, IN
THE REGISTER'S OFFICE OF SHELBY
COUNTY, TENNESSEE.
SALE IS SUBJECT TO ANY
INTEREST THAT MAY
EXIST IN UNRELEASED
OEPARTMENT OF JUSTICE LIEN OF RECORD
AT INSTRUMENT NO.
09053003, IN THE REGISTICE LIEN OF RECORD
AT INSTRUMENT NO.
09053003, IN THE REGISTER'S OFFICE OF
SHELBY COUNTY, TENNESSEE.
All right of early of redemplion, statutary and
otherwise, and homestead
are expressly waived in
said Deed of Trust, and the
title is believed to be good,
but the undersigned will
sell and convey only as
Substitute Truste.
The right is reserved to adjourn the day of the sale for
another day. Ilme, and
place certain without further publication, upon announcement at the Ilme
and place for the sale set
forth above. If the highest
bidder cannot pay the bid
within twenty-four (24)
hours of the sale, the next
highest bidder, at their
highest bidder, at their
highest bidder, at their
highest bidder. This properly is being sold
with the express reservalion has the sale is subject
to confirmation by the
lender or rustee. This sale
may be rescinded by the next
highest bidder and any information by
the confirmation by the
lender or rustee. This sale
may be rescinded by the
substitute Trustee at only
This ciffice may be a deciterpot to collect a derustee this sale is subject
to confirmation by the
lender or rustee. This sale
may be vescinded by the
Substitute Trustee at only
This ciffice may be a deciterpot to collect a derustee this sale is subject
to confirmation by
the subject of the sale, the next
highest bidder.
This properly is being sold
with the express reservation has nurseed and the
subject of the sale, the next
highest bidder at their
highest bidd

LOST IN AR 1-40 & Hwy 149 Exil 260, fri-colored Female Australian Shepherd, microchipped, 5500 REWARD 870-225-6837

Yellow Gold Diamond Earring, Bellevue Baptist Church/Germantown area REWARDI Cell Rex 674-6383

551

DOG-MALE, BLUE collar, fan/brownish short hisir, approx. 30-40lbs. Found in Cordova in Carrollwood Lakes Sub. 901-734-4955

GERMAN SHEPHARD Black/Tan, Found on 11/8 on American Way Between Perkins & Mt Morlah Call 901-650-5240

GOT JOBS?

901-529-5273

or emall ad copy to classad@ commercialappeal.com

to place your Help Wanted Ads

November 29, 2012 10:44am

16. Project Completion Forecast Chart

The complete the "days required" section for each phase of the proposed project.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): Feb 27,

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

*	N 1 XIO	Anticipated Date
<u>Phase</u>	REQUIRED	(MONTH/YEAR)
1. Architectural and engineering contract signed	10	03/2013
Construction documents approved by the Tennessee Department of Health	55	04/2013
3. Construction contract signed	70	05/2013
4. Building permit secured	90	05/2013
5. Site preparation completed	150	07/2013
6. Building construction commenced	210	09/2013
7. Construction 40% complete	420	04/2014
8. Construction 80% complete	640	11/2014
9. Construction 100% complete (approved for occupancy	760	03/2015
10. *Issuance of license	830	06/2015
11. *Initiation of service	850	06/2015
12. Final Architectural Certification of Payment	890	08/2015
13. Final Project Report Form (HF0055)	960	10/2015

For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee
COUNTY OF Shelby
Arthur Maples, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the
directions to this application, the Rules of the Health Services and Development Agency, and
T.C.A. § 68-11-1601, et seq., and that the responses to this application or any other
questions deemed appropriate by the Health Services and Development Agency are true and
complete.
SIGNATURE/TITLE The March May have the second seco
Sworn to and subscribed before me this 13th day of Nivenber, 2012 a Notary (Month) (Year)
Public in and for the County/State of
My commission expires,

My Commission Expires: February 15, 2016

INDEX OF ATTACHMENTS

Organizational Documentation	Section A-3
Organizational Chart	Section A-4
Deed/Market Value & Lease Option	Section A-6
Factors in Modification Proposal	Section B, II, A
FDA Approval	Section B, II, E, (1), a, 4
Plot Plan	Section B, III, A (1)
Floor Plan	Section B, IV
Service Area Map	Section C, 3
Utilization of Linear Accelerators and PET/CT	Need, 5
Architect Letter and Equipment Quotes	Economic Feasibility 1
Chief Financial Officer Letter	Economic Feasibility 2(E)
Balance Sheet and Income Statements	Economic Feasibility, 10
License	Orderly Development 7 (c)
State Survey/Inspection	Orderly Development 7 (d)

Factors in Modification Proposal

Section B, II, A

Medical Staff Growth

	Total and the state of the stat	I D 11 0274407	T	
	Interest in and desire to physically locate in new BCCC Complex	Proposed by CN1105- 018A	Changes which have occurred within the past year indicating need for modification	Proposed by this application
	No. of Oncology Groups	3 when submitted	Groups had indicated interest for initial CON and later affiliated with Baptist Medical Group (BMG).	3
*1	Number of Oncologists	7-9 anticipated	Number intending to practice at center increased (22 credentialed at BMH-Tipton)	Up to 15
	Radiation Oncology Groups	All independent	All are independent contractors	All independent
*2	Number of Radiation Oncologists	3	The number of Radiation oncologists has increased	5
	Number of Medical Specialty Groups (Specify Specialty)	Multiple groups involved	The cancer center will be available to any qualified physician who applies and receives privileges	Multiple groups involved
*1	Number of Medical Specialists (Specify Specialty)	48 Hematlgy/Oncology 28 Neurosurgery 56 General surgeons (incl. colon and rectal) 20 Thoracic and CV 4 Gynecologic 13 Pathology 10 Rad Oncologists	These physicians are on staff at BMH-Memphis and may elect to be on staff at BMH-Tipton with patients at the new cancer center.	48 Hematlgy/Oncology 28 Neurosurgery 56 General surgeons (incl. colon and rectal) 20 Thoracic and CV 4 Gynecologic 13 Pathology 10 Rad Oncologists

^{*1 -} Number of Oncologists — The initial design included accommodations for patients of approx. 9 onsite medical oncologists. During the past year, the number of medical oncologists who expressed interest in practicing at the new center rose to 15 which increased the need for capacity to serve more patients. The number of medical oncologists that are credentialed at BMH — Tipton who may choose to practice at the center is currently 22. As indicated in the last line of the above chart, potentially many more BMH-Memphis credentialed physicians with cancer patients may eventually also choose to use the new cancer center.

^{*2 –} Number of Radiation Oncologists – The radiation oncologists currently affiliated with BMH – Memphis are independent contractors. BMG includes additional radiation oncologists which accounts for the increase from 3 to 5. The last line in the chart above shows that 10 radiation oncologists are credentialed with BMH – Memphis and may also choose to be associated with the cancer center.

Equipment Utilization Growth

Medical Modality	Proposed by CN1105-018A	Projected Increase (Decrease)	Proposed by this application
r 1	CIVITOS-010A	(Decrease)	und upplication
Laboratory Complete Met. Panal:	6,746	1,221	7,967
Complete Met. Panel; CBC	21,364	8,972	30,336
CBC	21,504	0,712	30,330
Chemotherapy			
Chemo Infusion Pts	1,124		N/A
Chemotherapy T(x)s	69,958	2,657	72,615**
Medical Imaging			
General Radiology	23,425	(13,920)	9,505
		Will be reduced by	
		PET and other	
Other Medical Imaging Nuclear Medicine			
Nuclear Medicine	244	Nuc Med will not be	0
		at Cancer Center	
		(244)	
Ultrasound	1,124	24	1,148
СТ	4,752	95	4,847
CI	1,732		.,
PET/CT	783	Space included to	2,296
FEI/CI	100	add future unit	-
		1,513	
Radiation Therapy		110	1 2 12
Radiation Therapy Pts	1,223	19	1,242
Radiation Therapy T(x)s	11,616	180	11,796
Cyberknife Pts			
Cyberknife T(x)	150		150
Cyborkuno I(n)			
Total Number of Patients*	1,874	78	1,952

^{*}The projections for the number of patients reflect newly-diagnosed cancer cases that will be served by BCCC in the second year.

^{**} Based on physicians who have affiliated with Baptist Center for Cancer Care through Baptist Medical Group. The projections reflect the patient care practices of these physicians.

Need for Additional Equipment

Medical Modality	Proposed by CN1105-018A (please specify units)	Projected Increase (Decrease)	Proposed by This application (please specify units)
Laboratory	Phlebotomy area with some analysis capability. Samples transported to hospital lab.	On site capabilities substantially increased	1 phlebotomy area with multiple stations and 1 lab with: - 3 hema analyzer - 1 chem analyzer - 3 microscopes - 1 uri analyzer
Chemotherapy			
Chemo Infusion Stations	48	Capacity to increase stations as required	Up to 88
Medical Imaging Units	 		
Specify by type if #'s will change			
CT Simulator	1 relocated		1 relocated
Other Medical Imaging Units		1	
Ultrasound	1 new		1 new
General X-Ray	1 new		1 new
CT	1 relocated	CT will not be relocated	1 new 64 slice
PET/CT Scanners	1 relocated	A replacement will occur at time of relocation	1 new/replacement
Radiation Therapy			
Linear Accelerators	2 relocated	One replacement will occur at time of relocation to Cancer	1 relocated; 1 new/replacement
Cyberknife	1 relocated		1 relocated

Historical and Projected Utilization at BMH - Memphis and BMH - Tipton Cancer Center

Radiation Therapy Service Utilization:

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Linacs									
Patients	612	713	701	719	734	749	764	780	796
Treatments	11,624	11,352	10,989	11,218	11,449	11,685	11,925	12,171	12,422

PET Service Utilization:

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total PETs &/or Pet/CTs									
Total Procedures	910	854	683	743	756	769	783	797	811

The charts below are reflective of the current modified application.

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Linacs									
Patients	612	713	701	719	734	749	764	756	768
Treatments	11,624	11,352	10,989	11,218	11,449	11,685	11,925	11, 796	11,980

Lin ACC Adjustments allow for relocation between 2014 and 2015.

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total PETs &/or Pet/CTs									
Total Procedures			2,178	2,116	2,159	2,203	2,249	2,296	2,342

PET Adjustments represent relocation/replacement of a PET unit used primarily for oncology patients and a number of cases from the PET unit that will remain at BMH-Memphis.

Comparative Project Cost Chart

	Proposed by CN CN1105-018A	Proposed by this application	Increase (Decrease)
Section A Construction & Equipment acquired by Purchase			
Architectural & Eng'r Costs	\$2,150,000	\$2,737,942	\$587,942
Legal, Admin, Consult	\$136,000	\$48,000	(\$88,000)
Acquisition of Site	\$8,250,000	\$11,000,000	\$2,750,000
Site Preparation	\$1,763,490	\$1,111,695	(\$651,795)
Construction	\$31,000,870	\$33,605,000	\$2,604,130
Contingency	\$2,395,000	\$4,221,643	\$1,826,643
Fixed Equip	\$2,287,696	\$11,121,960	\$8,834,264
Moveable Equip	\$3,007,860	\$4,561,893	\$1,554,033
Other (Specify) Maintenance, I/S, Videoconference, Transfer from BMH - Memphis	\$13,889,309	\$14,706,420	\$817,111
Building Only		\$1,674,647	\$1,674,647
Estimated Project Cost	\$64,880,225	\$84,789,200	\$19,908,975
CON Filing Fee	\$45,000	\$45,000	\$0
Total Estimated Project Cost	\$64,925,225	\$84,834,200	\$19,908,975

Addendum to Project Costs Chart

Clarification of Fixed Equipme	ent Indicated in Project Costs
<u>Itam</u>	New Cost or Market Value
New/Replacement PET/CT	1,526,921
New/Replacement Lin Acc	4,247,820
Existing Lin Acc (relocation)	910,000
Cyberknife (relocation)	2,735,714
CT Sim (relocation)	395,000
New General X-ray	212,183
Variasource HDR(relocation)	95,788
New 64 Slice CT	895,176
New Ultrasound	103,358
Total Fixed Equipment	11,121,960

Comparative Projected Data Chart

	Proposed by CN1105-018A Year 1	Proposed by This Application Year 1	Increase (Decrease)
Utilization			
Chemotherapy Treatments	69,958	72,615	2,657
Rad Onc Treatments	11,616	11,796	180
PET	783	2,296	1,513
Revenue from Services to patients	\$114,316,849	\$162,295,765	\$47,978,916
Deductions from Gross Revenue	\$69,831,477	\$105,237,976	\$35,406,499
Net Operating Revenue	\$44,485,372	\$57,057,789	\$12,572,417
Operating Expenses	\$33,741,010	\$48,543,025	\$14,802,015
Net Operating Income (Loss)	\$10,744,362	\$8,514,764	(\$2,229,598)

Comparative Costs Projections Chart

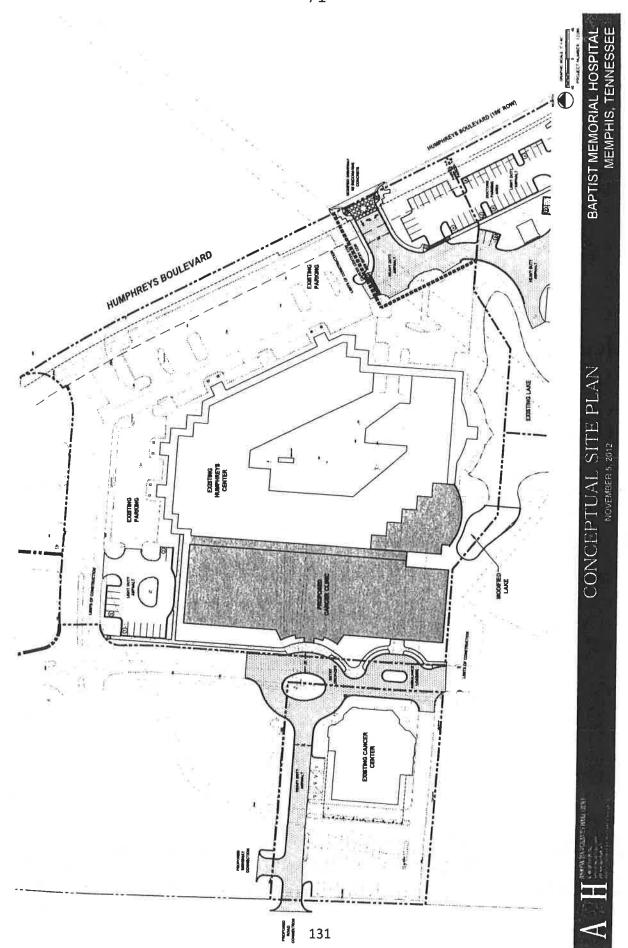
HCPCS Code	Short Descriptor	Approx. Medicare Reimbursement	Baptist Charge	Proposed Vanderbilt Maury Radiation Oncology CN1012-053)
77290	Set Radiation Therapy Field	\$254.37	\$968.00	1260.00
77300	Radiation therapy dose plan	\$98.31	\$288.00	\$350.00
77336	Radiation physics consult	\$98.31	\$546.00	\$290.00
77370	Radiation physics consult	\$98.31	\$608.00	\$575.00
77470	Special radiation treatment	\$363.50	\$1888.00	\$1500.00
77295	Set radiation therapy field	\$885.71	\$3051.00	4075.00
77334	Radiation treatment aid(s)	\$182.06	\$719.00	775.00
77301	Radiotherapy dose plan, imrt	\$885.71	\$2401.00	4678.00

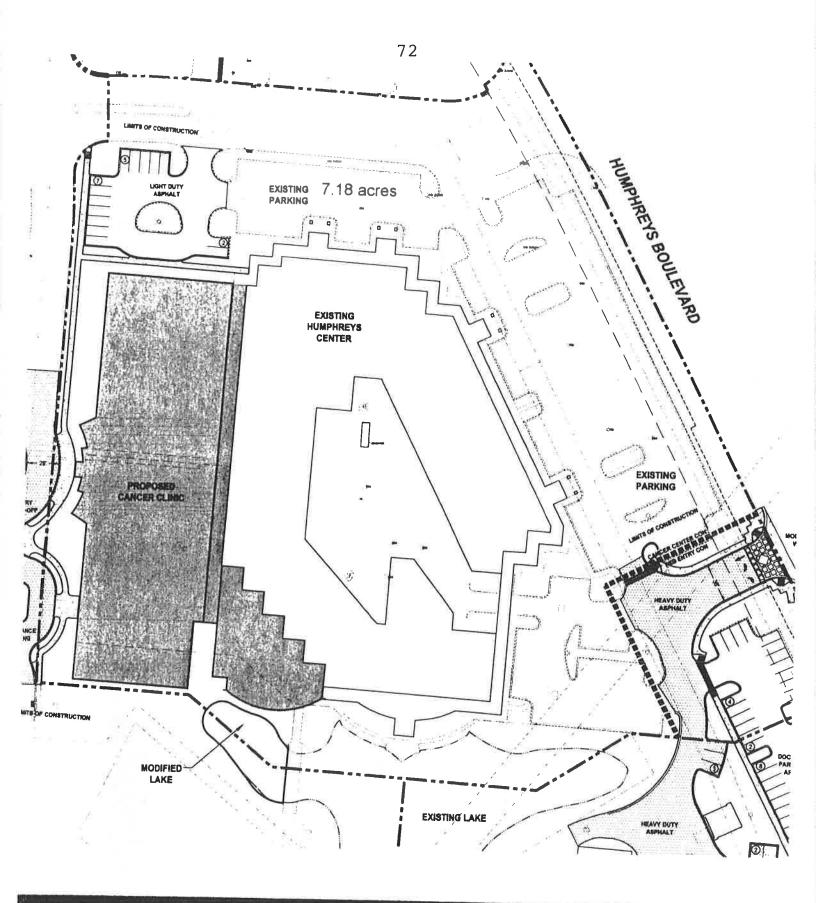
Comparative Staffing Chart

Position Descriptions	Proposed by CN1105-018A	Proposed by this application	Increase (Decrease)
ASSISTANT-OFFICE II	1.44	1.44	0.00
CLERICAL/SCHEDULING/CHART MANAGEMENT STAFF (NO BILLERS OR RECORDS CODERS)	11.6	11.6	0.00
CLERK-GENERAL II	0.21	0.21	0.00
CLINCIAL AND NURSING PRACTICE MANAGER	1.0	1.0	0.00
CLINIC AND SCHEDULING MANAGER	2.0	2.0	0.00
DIRECTOR-RADIATION ONCOLOGY	1.02	1.02	0.00
DOSIMETRIST	2.12	2.12	0.00
ECHO TECH	1	1	0.00
FINANCIAL COUNSELOR	2.4	2.4	0.00
INFUSION THERAPY SERVICE DIRECTOR	1.0	1.0	0.00
LAB TECH's/MA's	12.0	12.0	0.00
NUCLEAR MEDICINE TECH	1	1	0.00
NURSE-HEAD	1.12	1.12	0.00
NURSE-REGISTERED	1.87	1.87	0.00
NURSING (EMR, QUALITY & DATA MANAGEMENT)	1.0	1.0	0.00
NURSING (RN's): CHEMO INFUSION	15.0	15.0	0.00
NURSING (RN's): STAT/INJECTIONS	1.8	1.8	0.00
NUTRITIONAL COUNSELOR	1.2	1.2	0.00
PET/CT TECH	11	1	0.00
PHARM TECH	1.2	4.0	2.80
PHARMACIST	1.2	4.0	2.80
PHLEBOTOMIST	11	4	3.00
RADIOLOGY TECH	1	1	0.00
SOCIAL WORKER	1.2	1.2	0.00
SUPERVISOR-RADIATION ONCOLOGY	1.02	1.02	0.00
THERAPIST-RADIATION LEAD	2.00	2.00	0.00
THERAPIST-RADIATION	6.47	6.47	0.00
TRANSCRIPTIONIST	1.2	1.2	0.00
VALET/TRANSPORTER	1.2	1.2	0.00
PHYSICIST	(contract)	(contract)	0.00
Admin Director		1	1.00
RN Navigators		2	2.00
Mgr CME/Admin Sec	11=-	1	1.00
Med Director		1	1.00
Genetics Counselor		2	2.00
Total FTE's	77.28	92.88	15.60

Plot Plan

Section B, III, A (1)

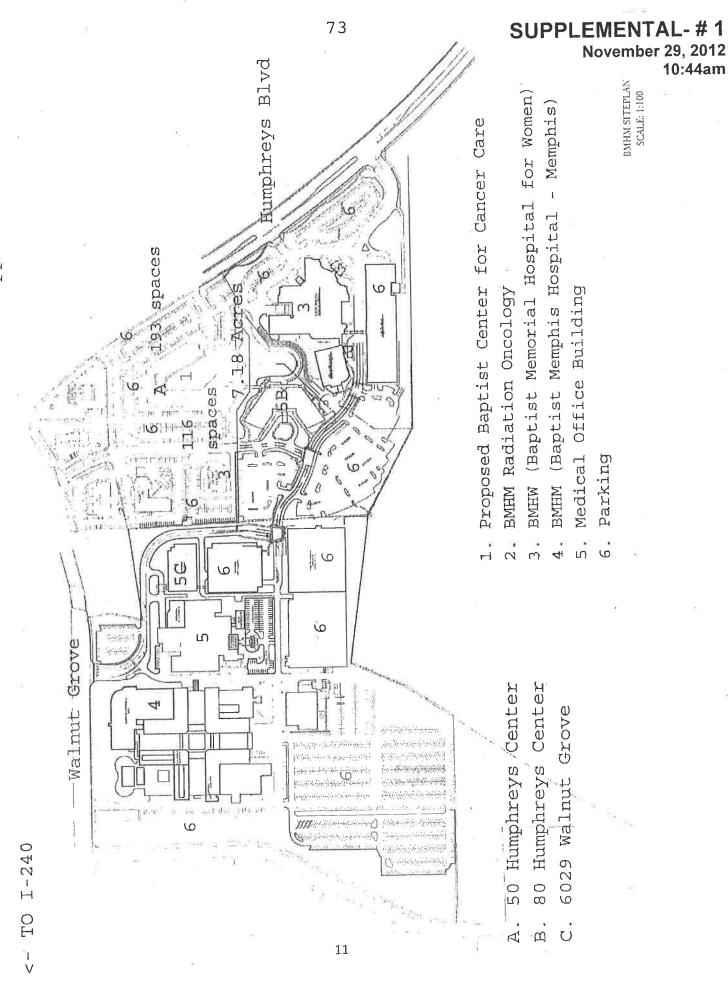




CONCEPTUAL SITE PLAN

BAP

NOVEMBER 5, 2012

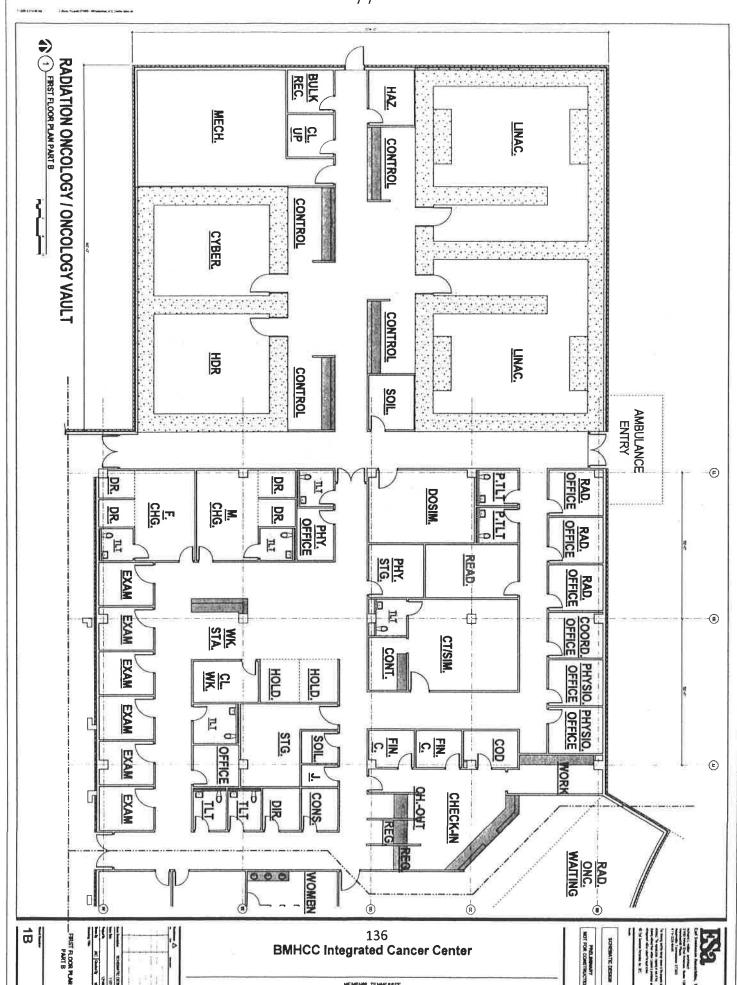


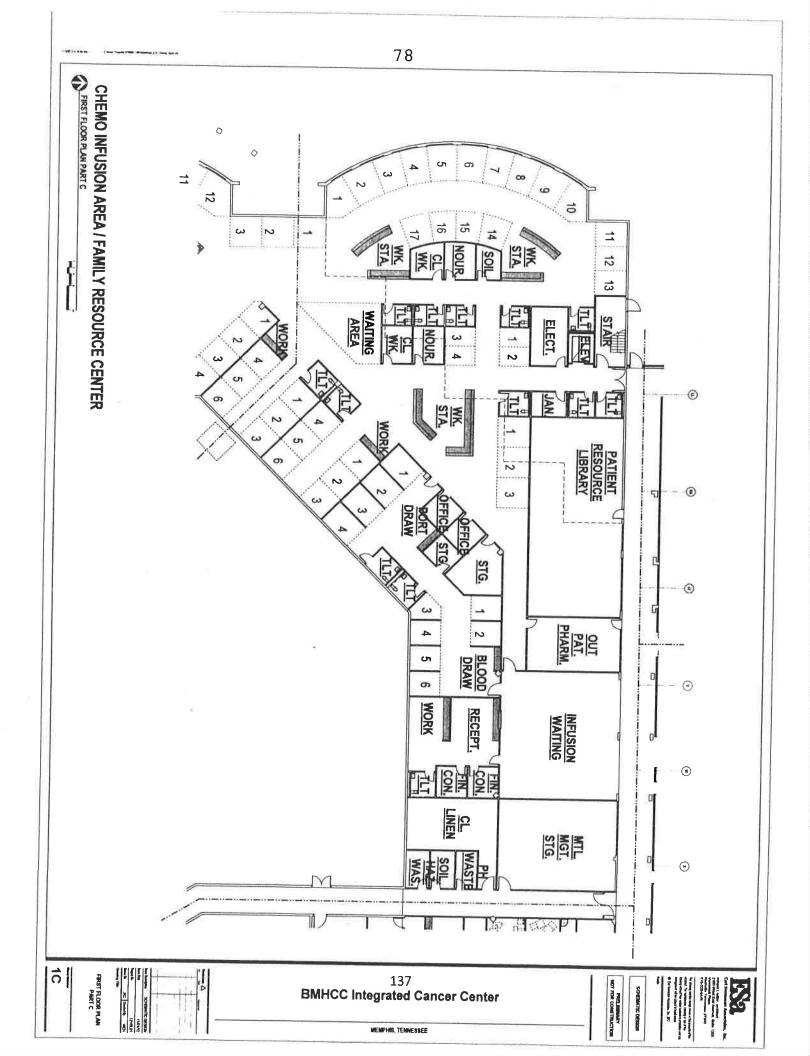
Floor Plan

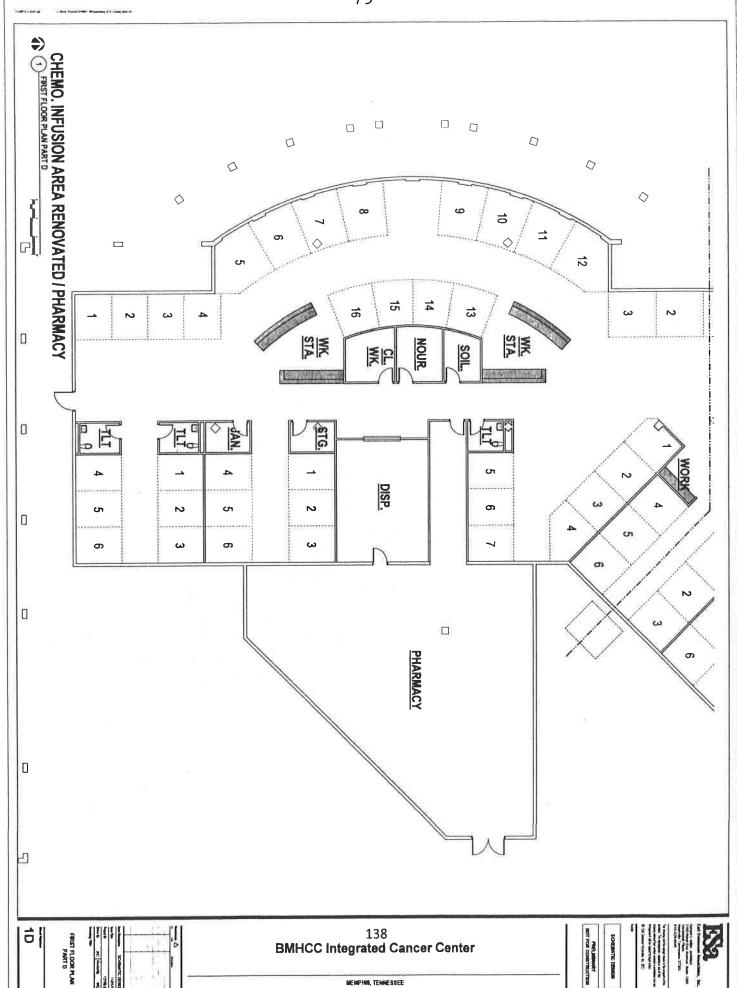
Section B, IV

MEMPHIO, TENNESSEE PREJAMENT NOT FOR CONSTRUCTED HASTER PLAN SCHEMATIC DESIGN BMHCC Integrated Cancer Center 100 134 FIRST FLOOR
PART A WOMENS CENTER EXPANSION AREA FIRST FLOOR PART E 騆 พาร PHARMACY P BOUNDS INFUSION ARE **QVATED** CHEMO. ONCOLOGY 1ST FLOOR MASTER PLAN FIRST FLOOR PART D FIRST FLOOR
PART C FIRST FLOOR PART B-

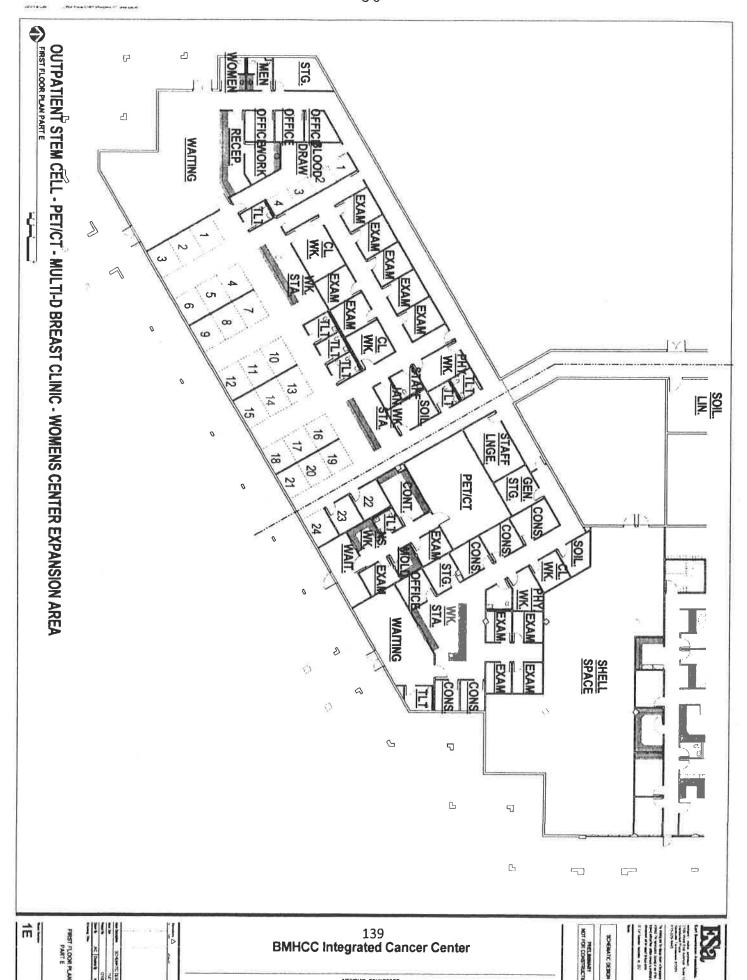
SERIONIE LENGEREE FRST FLOOR PLAN PART A SOMEWATE DESIGN BMHCC Integrated Cancer Center 14 (1) CONTROL FUTURE PET/CT PET/CT RAD. FUTURE (1) HOLD HOLD **XAM/HOLD** 워[워]볐 ⋾;왕 SCAN STAFF NGE/LKRS. 1 ROIL TRASOUND CONF. EDUC. 위美 (4) DIR. WORK READ. EDUC. 0 CONS ECEPT SECURIT DIAGNOSTICS / IMAGING / RADIATION - CONFERENCE / EDUCATION STG. EDUC. **①** MAGING 빌 ELECT. CHAPEL ME MAIN CANOPY (1) VEST. 2-STORY LOBBY W.C. STAFF LNGE. CONF. 14 RAD. ONC. CHECK-I CONS 띪 EXAMEXAN WORK



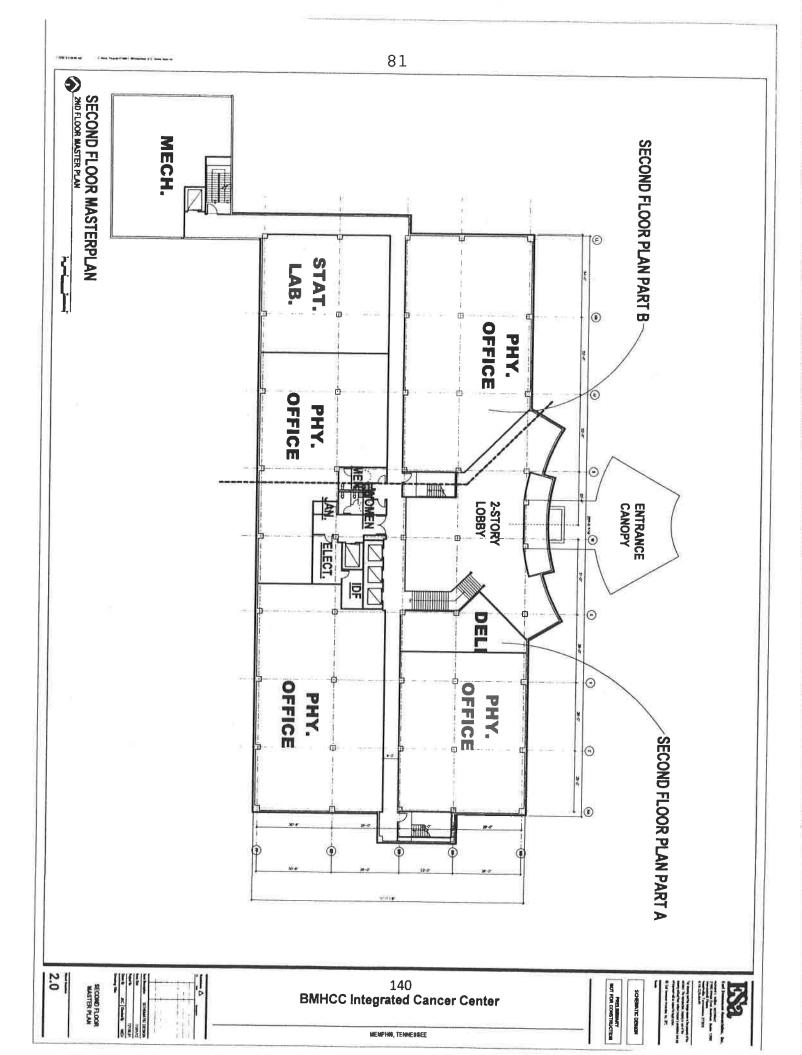


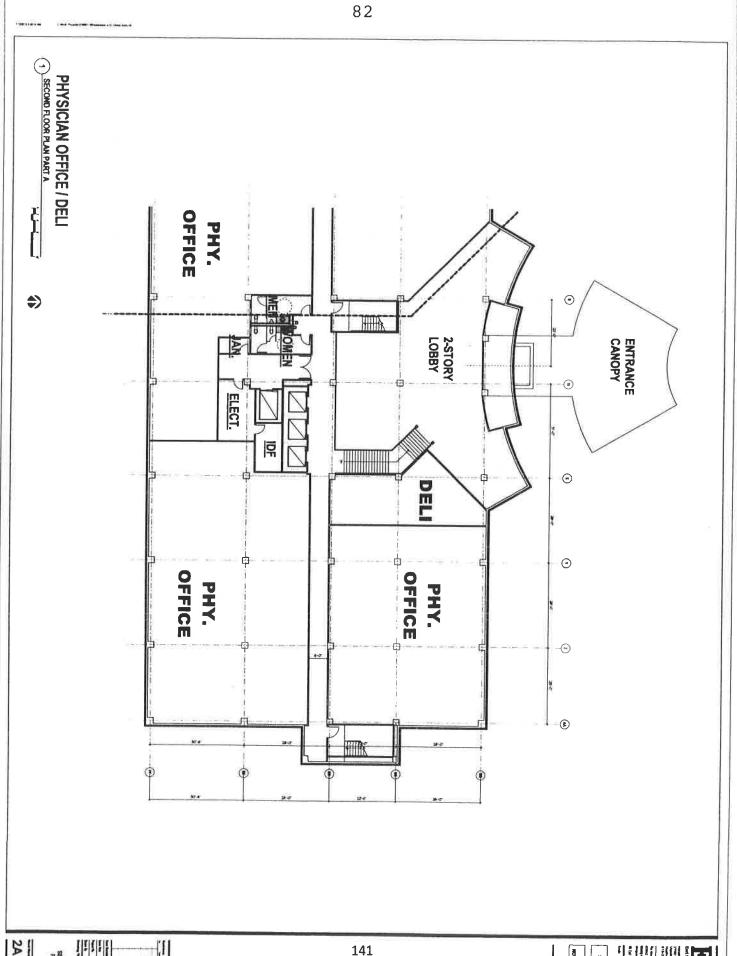


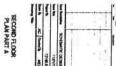
MEMPHIS, TENNESSEE



MEMPHIS, TENNESSEE





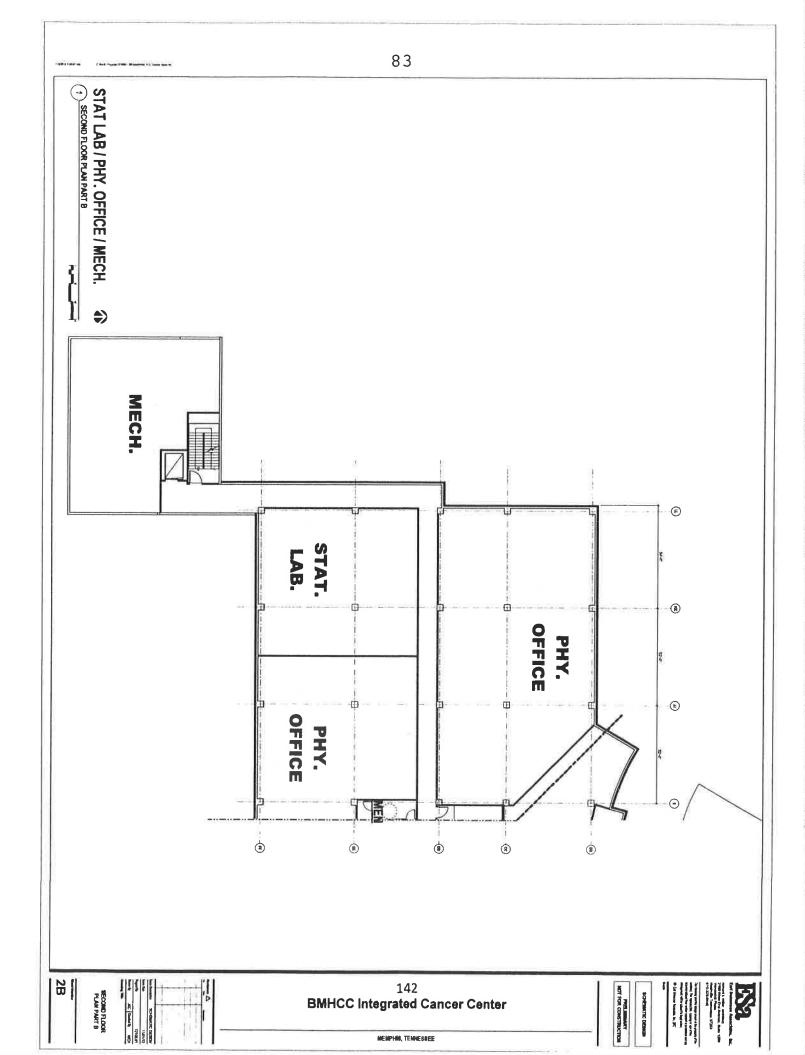


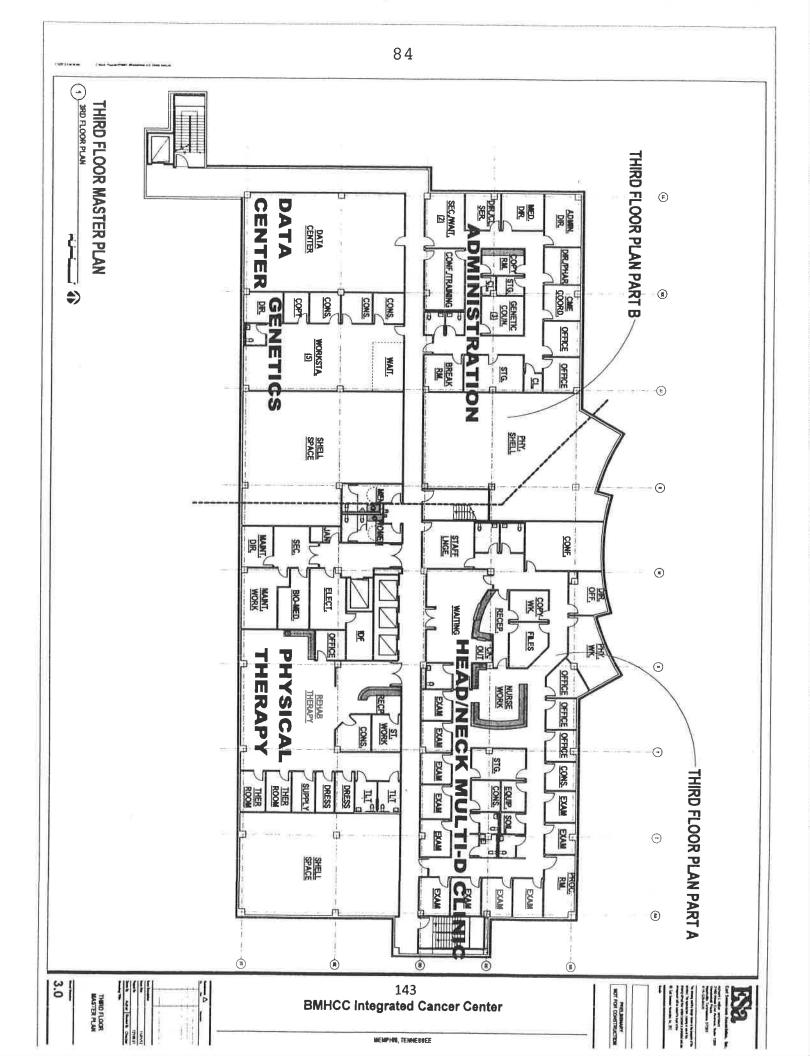
141 BMHCC Integrated Cancer Center

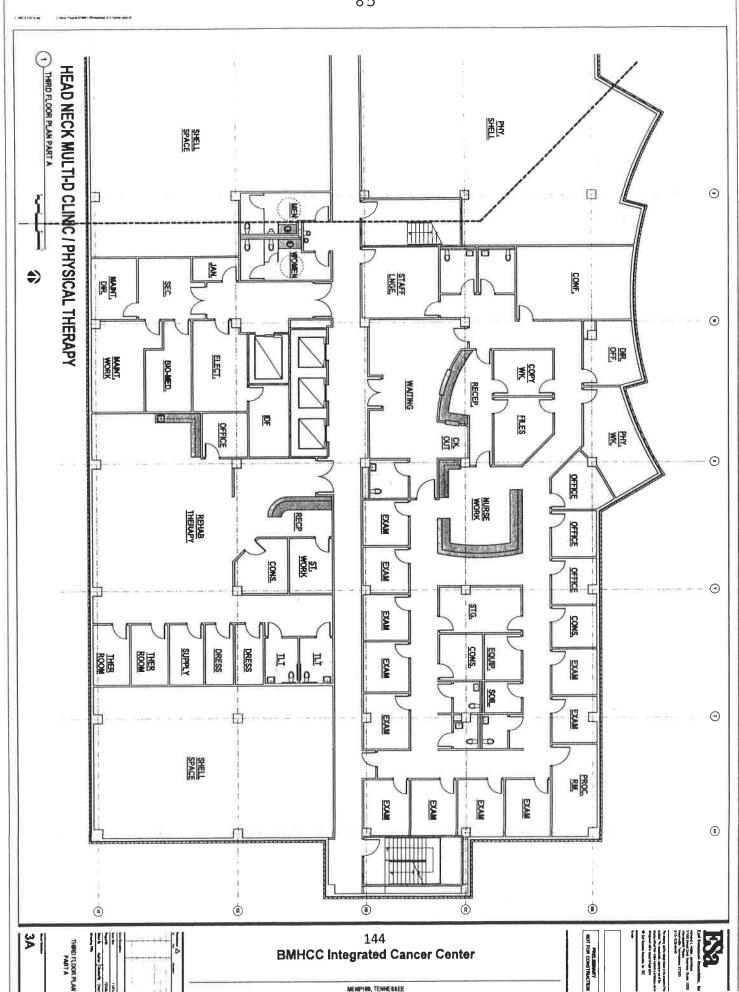
MEMPHIS, TENNESSEE

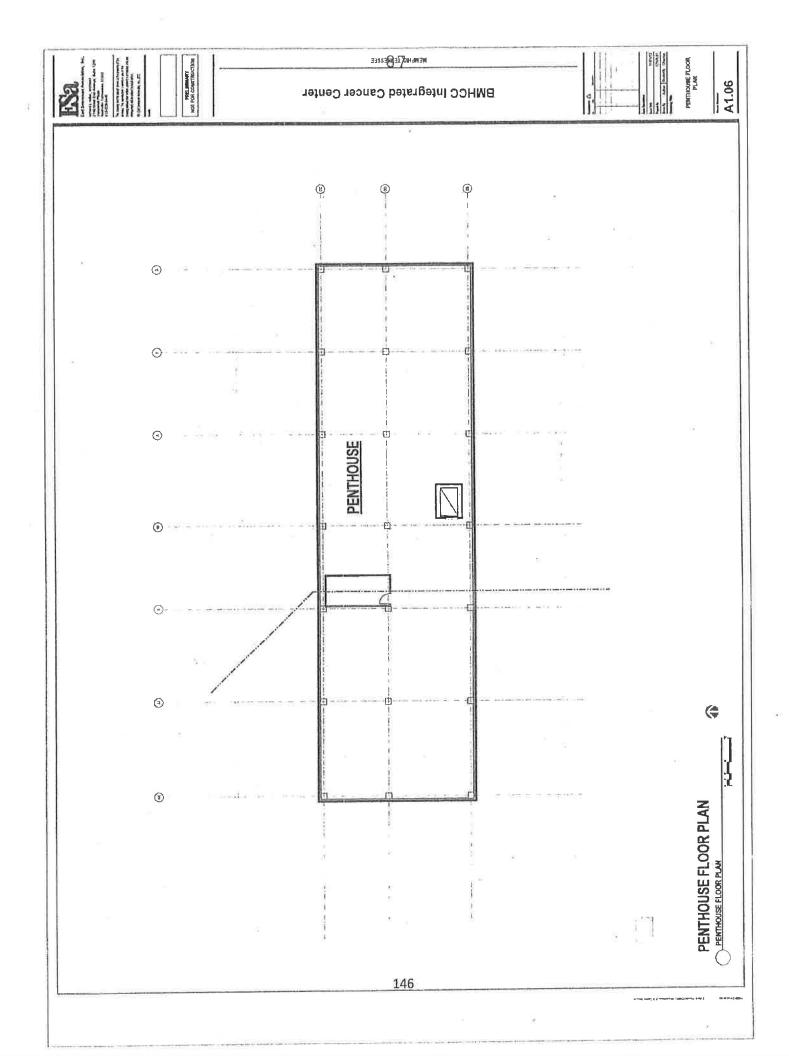






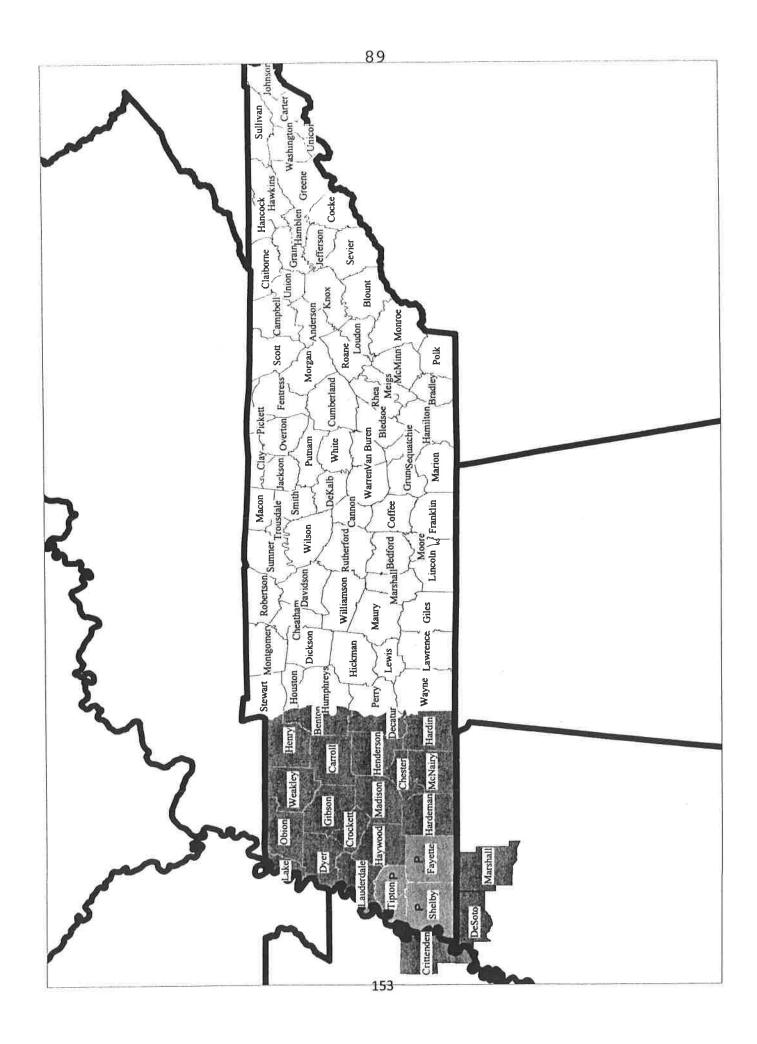






Service Area Map

Section C, 3



Utilization of Linear Accelerators & PET/CT

Need, 5

Utilization for Linear Accelerators

The annual utilization of all linear accelerators within the applicant's declared service area for the three previously reported years below.

	Location	2009	2009	2010	2010	2011	2011	2011
	County	No. of Linacs	Utilization	No. of Linacs	Utilization	No. of Linacs	Utilization	% Guidelines for Growth Utilization Std
Baptist Memorial Hospital-Memphis **	Shelby	3		3		4		
Patients			713		701		635	
Treatments			11,352		10,989		11,431	48%
Methodist Healthcare - University Hospital	Shelby	3		3		3		
Patients			605		N/A		N/A	
Treatments			15,196		21,287		21,049	117%
The Med	Shelby	1		1		0		
Patients			159		84		0	
Treatments			2,935		87		0	0%
St Francis	Shelby	2		2		2	B	
Patients			513		N/A		N/A	
Treatments			7,278		7,508		7,576	63%
St Jude	Shelby	2		2		2		
Patients			239		203		231	
Treatments			6,473		5,789		4,800	40%
Uni. Of TN Cancer Institute-Bartlett	Shelby	1		1		1		
Patients			NA		??		382	
Treatments			5,513		7,365		5,270	88%
Memphis Regional Gamma Knife Center **						1		
Patients								
Treatments							180	3%
Total		12		12		13		
Patients								
Treatments			48,747		53,025		50,306	

^{**} NOTE: Includes data for cyberknife/gamma knife in 2011

PET AND PET/CT UTILIZATION

The annual utilization of all PET & PET/CT within the applicant's declared service area for the three previously reported years below.

	Location	2009	2009	2010	2010	2011	2011	2011
ø	County	No. of PETs	Utilization	No. of PETs	Utilization	No. of PETs	Utilization	% Guidelines for Growth
		& PET/CTs		& PET/CTs		& PET/CTs		Utilization Std
Baptist Memorial Hospital - Memphis	Shelby	1		1		1		
Patients			762		602			
Procedures			854		683		1,060	66%
Central Memphis Regional PET Imaging Center LLC	Shelby	1		1		1		
Patients								
Procedures			F .				*	*
East Memphis PET Imaging Center LLC	Shelby	1	*	1		1		
Patients								
Procedures			657		582		543	34%
Methodist Healthcare - University Hospital	Shelby	l		1		1		
Patients								
Procedures			914		784		880	55%
St Jude	Shelby	1		1		1		
Patients								
Procedures			831		852		805	50%
Univ. of TN Cancer Institute -	Shelby	1		1		ı		
Germantown Patients							+	
Procedures			1,170		1,142		891	56%
The West Clinic	Shelby	1	1,1/0	1	1,142	1	071	3070
Patients	Siletoy	1				1		
Procedures			1,822		1,367		2,043	128%
Total			1,022		1,507		2,043	12070
Patients								
Procedures			6,248		5,410		6 222	
1 I OCCUUI CS			0,240		3,410		6,222	

Architect Letter and Equipment Quotes

Economic Feasibility 1



November 12, 2012

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency 8th Floor – Andrew Jackson Building, Suite 850 Nashville, TN 37242

RE: MODIFICATION OF CN1105-018A

BAPTIST CENTER FOR CANCER CARE BAPTIST MEMORIAL HOSPITAL – TIPTON

Dear Ms. Hill:

This letter will affirm that to the best of our knowledge, the design intended for the construction of the referenced facility will be in accordance with the following primary codes and standards. This listing may not be entirely inclusive but the intent is for all applicable codes and standards, State or Local, to be addressed during the design process.

- AIA Guidelines for the Design and Construction of Healthcare Facilities
- Standard Building Code (current edition enforced at the time of plan submission)
- Standard Mechanical Code
- Standard Plumbing Code
- Standard Gas Code
- NFPA Life Safety Code
- Rules of Tennessee Department of Health and Environment Board for Licensing Healthcare Facilities
- Americans with Disabilities Act
- North Carolina Handicap Code

Thank you.

Sincerely,

EARL SWENSSON ASSOCIATES, INC.

Harold D. Petty, AIA

Director of Medical Design/Principal

Harold Detty



November 12, 2012

Ms. Melanie Hill Executive Director Tennessee Health Services and Development Agency 8th Floor – Andrew Jackson Building, Suite 850 Nashville, TN 37242

RE:

MODIFICATION OF CN1105-018A BAPTIST CENTER FOR CANCER CARE BAPTIST MEMORIAL HOSPITAL – TIPTON

Dear Ms. Hill:

This letter will denote that ESa has reviewed the site preparation and construction costs indicated as \$1,111,695 and \$33,605,000 for the referenced project and find the costs to be reasonable for the described scope of work. The construction costs have considered recent market conditions and inflation projections. We have also estimated Architectural and Engineering fees of \$2,737,942 for the project.

Thank you.

Sincerely,

EARL SWENSSON ASSOCIATES, INC.

Harold D. Petty, AIA

Director of Medical Design/Principal

Harold Detty

Chief Financial Officer Letter

Economic Feasibility 2(E)

BAPTIST MEMORIAL HEALTH CARE CORPORATION

November 14, 2012

Ms Melanie Hill, Executive Director Health Services and Development Agency Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

RE:

Baptist Memorial Hospital-Tipton Baptist Center for Cancer Care

Dear Ms Hill:

As the Chief Financial Officer of Baptist Memorial Health Care Corporation (BMHCC), I have reviewed the financial statements and requirements in the certificate of need application for the Baptist Center for Cancer Care that has an anticipated cost, for CON purposes, of approximately \$84,900,000. Funds to complete the project as described are available through BMHCC affiliated entities.

The proposed center will be owned and operated by Baptist Memorial Hospital – Tipton that is affiliated with Baptist Memorial Hospital – Memphis which is the current owner and operator of linear accelerators and other related equipment included in the capital cost valuation of the project. From affiliated non-profit entities, resources, including existing equipment and funding will be transferred to Baptist Memorial Hospital – Tipton to complete this project.

Financial statements have been provided for Baptist Memorial Hospital –Tipton that accurately reflect the operations as audited by Deloitte & Touche as part of the combined financial statements of Baptist Memorial Health Care Corporation. Also provided are financial statements demonstrating that Baptist Memorial Hospital – Memphis has the available resources to fund the cancer center project.

Please contact me if you need additional information.

il Round

Sincerely,

Donald R. Pounds

Chief Financial Officer

Balance Sheet and Income Statements

Economic Feasibility, 10

BMH-TIPTON BALANCE SHEET 12 MONTHS ENDED SEPTEMBER 30 Unaudited

	2011	2010	2009	2008
CURRENT ASSETS: Cash and cash equivalents Patient accounts receivable, net Other Receivables Third party settlements Supplies, Inventory and Prepaid Total current assets	13,487,760 3,348,466 476,752 17,600 1,324,619 18,655,197	28,508,385 2,261,519 1,203,470 11,700 443,233 32,428,307	25,520,121 2,837,186 1,254,459 64,990 490,777 30,167,533	24,476,274 3,163,079 1,203,729 60,480 529,872
INVESTMENTS PROPERTY AND EQUIPMENT, net OTHER ASSETS	31,039 6,921,161 0	41,666 7,000,156 0	499,608 7,617,139 0	281,761 6,999,598 0
TOTAL ASSETS	25,607,397	39,470,129	38,284,279	36,714,795
CURRENT LIABILITIES: Current portion-long-term debt & CLO Accounts payable Due to affiliates Third party settlements Accrued expenses and other current Total current liabilities	0 163,915 791,842 350,872 1,702,335 3,008,964	0 166,018 0 305,638 886,797 1,358,454	0 161,728 0 197,802 920,468 1,279,998	169,303 0 71,271 1,002,965 1,243,538
LONG-TERM DEBT and CLO OTHER LONG-TERM LIABILITIES	00	00	00	00
FUND BALANCE (DEFICIT)	22,598,433	38,111,675	37,004,281	35,471,256
TOTAL LIABILITIES & FUND BALANCE	25,607,397	39,470,129	38,284,279	36,714,795

BMH-TIPTON STATEMENT OF REVENUES AND EXPENSES 12 MONTHS ENDED SEPTEMBER 30 Unaudited

	2011	2010	2009	2008
UNRESTRICTED REVENUES AND OTHER SUPPORT: Net patient service revenue Other revenue	27,548,715	26,691,795	28,451,277	30,506,036
Total unrestricted revenues and other support	28,041,852	27,155,702	28,954,033	31,013,464
EXPENSES:				
Salaries and benefits	12,754,920	12,297,694	12,586,840	13,530,057
Supplies	3,236,889	2,563,752	2,896,809	3,028,918
Purchased Services and other	3,501,673	3,785,003	3,948,613	5,127,713
Management fees	2,956,500	2,705,316	2,659,764	2,591,592
Professional fees	179,378	262,055	240,794	222,648
Depreciation and amortization	1,087,257	1,149,973	1,098,512	1,158,604
Interest	0	0	0	0
Provision for bad debts	4,999,014	4,604,932	4,713,416	5,288,107
Total Expenses	28,715,631	27,368,724	28,144,748	30,947,640
NONOPERATING INCOME(EXPENSE):	1,752,126	1,088,783	334,211	598,077
REVENUES IN EXCESS OF EXPENSES	1,078,346	875,761	1,143,497	663,901

BMH-MEMPHIS BALANCE SHEET 12 MONTHS ENDED SEPTEMBER 30 Unaudited

	2011	2010	2009	2008
CURRENT ASSETS: Cash and cash equivalents	186,084,744	217,083,811	171,275,016	112,905,507
Patient accounts receivable, net	66,983,817	64,083,110	58,279,655	61,611,658
Other Receivables	15,210,227	15,191,387	14,305,077	12,664,414
Third party settlements	3,970,657	5,591,661	9,821,014	2,609,069
Supplies, Inventory and Prepaid	16,342,975	15,702,762	16,559,835	14,850,885
Total current assets	288,592,420	317,652,731	270,240,596	204,641,533
INVESTMENTS	732,471	597,424	3,421,677	2,316,915
PROPERTY AND EQUIPMENT, net	197,690,647	199,796,666	209,555,994	211,242,758
OTHER ASSETS	115,813,276	129,261,495	138,340,478	150,128,204
TOTAL ASSETS	602,828,814	647,308,316	621,558,745	568,329,410
CURRENT LIABILITIES:				
Current portion-long-term debt & CLO	15,235,000	14,630,000	13,640,000	12,775,000
Accounts payable	7,614,319	18,973,275	7,252,048	8,822,098
Due to affliates	(1,713,670)	1,987,007	8,180,134	(9,835,959)
Third party settlements	4,591,585	2,391,096	2,391,096	6,002,218
Accrued expenses and other current	26,595,006	22,006,973	21,139,175	21,399,262
Total current liabilities	52,322,240	59,988,351	52,602,453	39,162,618
LONG-TERM DEBT and CLO	131,872,732	147,322,892	159,780,000	173,420,000
POST RETIREMENT BENEFIT OBLIGATION	30,324,823	29,918,325	31,959,438	27,630,967
OTHER LONG-TERM LIABILITIES	2,138,048	2,170,941	2,203,834	2,236,727
FUND BALANCE (DEFICIT)	386,170,972	407,907,808	375,013,020	325,879,098
TOTAL LIABILITIES & FUND BALANCE	602,828,814	602,828,814 647,308,316 621,558,745	621,558,745	568,329,410

BMH-MEMPHIS STATEMENT OF REVENUES AND EXPENSES 12 MONTHS ENDED SEPTEMBER 30 Unaudited

	2011	2010	2009	2008
UNRESTRICTED REVENUES AND OTHER SUPPORT: Net patient service revenue Other revenue Total unrestricted revenues and other support	498,881,984 15,453,287 514,335,271	497,462,698 16,137,294 513,599,992	504,893,566 14,045,914 518,939,481	478,580,293 14,462,669 493,042,962
EXPENSES: Salaries and benefits Supplies Supplies Purchased Services and other Management fees Professional fees Depreciation and amortization Interest Provision for bad debts Total Expenses	196,939,281 130,154,044 28,290,078 48,849,348 22,407,905 23,906,837 952,715 48,833,577 500,333,785	188,488,524 127,655,043 28,294,088 44,558,976 20,595,504 22,969,303 908,476 41,616,620 475,086,533	188,995,399 130,515,438 29,807,439 42,187,353 19,217,441 23,103,058 128,800 40,386,119	189,740,832 124,247,206 34,194,663 43,849,019 18,813,225 23,471,138 1,119,466 36,760,672
NONOPERATING INCOME(EXPENSE): REVENUES IN EXCESS OF EXPENSES	9,785,270	4,770,296	9,785,270 4,770,296 (186,094) (233,444) 23,786,756 43,283,754 44,412,340 20,613,297	(233,444)

Deloitte.

Deloitte & Touche LLP 100 Peabody Place Suite 800 Memphis, TN 38103-0830 USA

Tel: +1 901 322 6700 Fax: +1 901 322 6799 www.deloitte.com

December 20, 2011

The Boards of Directors
Baptist Memorial Health Care Corporation and Affiliates
350 North Humphreys Boulevard
Memphis, Tennessee 38120

As set forth in our independent auditors' reports dated December 20, 2011, we have audited the combined financial statements of Baptist Memorial Health Care Corporation and the separate financial statements of certain affiliates (see Exhibit I) as of and for the year ended September 30, 2011. The objective of our audits was to express an opinion on those financial statements and, accordingly, we performed no procedures directed toward performing a separate financial statement audit of other affiliates of Baptist Memorial Health Care Corporation.

In connection with our audits, we advise you that:

- 1. We are independent under the requirements of the American Institute of Certified Public Accountants with respect to Baptist Memorial Health Care Corporation and its affiliates.
- 2. We expressed unqualified auditors' opinions on the financial statements of the entities referred to above.

We have not audited any financial statements of Baptist Memorial Health Care Corporation and its affiliates subsequent to September 30, 2011, or performed any audit procedures subsequent to the dates of our reports.

Delitte & Touche LLP

EXHIBIT I

Certain affiliates of Baptist Memorial Health Care Corporation whose separate financial statements as of and for the year ended September 30, 2011 were audited by Deloitte & Touche LLP:

- Baptist Memorial College of Health Sciences
- Baptist Memorial Health Care Foundation
- Baptist Memorial Hospital Union County

State Survey/Inspection

Orderly Development 7 (d)

Joint Commission

BMH-Tipton

The Joint Commission

February 2, 2010

Skipper Bondurant CEO-Administrator Baptist Memorial Hospital - Tipton 1995 Highway 51 South Covington, TN 38019 Joint Commission ID #: 7823
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 02/02/2010

Dear Mr. Bondurant:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning August 15, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.

Executive Vice President

Accreditation and Certification Operations

Ann Scor Musin RN, Phd

The Joint Commission

October 9, 2009

Skipper Bondurant CEO Administrator Baptist Memorial Hospital - Tipton 1995 Highway 51 South Covington, TN 38019 Joint Commission ID #: 7823
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of

Standards Compliance

Accreditation Activity Completed: 10/09/2009

Dear Mr. Bondurant:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning August 15, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit <u>Quality Check®</u> on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.

An Sor Main W. Phd

Executive Vice President

Accreditation and Certification Operations

2 10

10 17 10 a m



August 18, 2009

Skipper Bondurant CEO/Administrator Baptist Memorial Hospital - Tipton 1995 Highway 51 South Covington, TN 38019 Joint Commission ID #: 7823
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full
Event
Accreditation Activity Completed:
08/14/2009

Dear Mr. Bondurant:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Ann Scott Blouin, RN, Ph.D.

Executive Vice President

Accreditation and Certification Operations

An Sort flowin LN. Phd



Baptist Memorial Hospital - Tipton 1995 Highway 51 South Covington, TN 38019

Organization Identification Number: 7823

Program(s) Hospital Accreditation

MEDICAL REVIEW SRVS

Surveyor(s) and Survey Date(s) Daniel H.Booth, MD - (08/11 - 08/14/2009) Philip H.I.arson, CHFM - (08/12 - 08/12/2009)

Executive Summary

Hospital Accreditation

As a result of the accreditation activity conducted on the above date(s), Requirements for improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Representative.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day this report is posted to your organization's extranet site:

EP2

Program: Hospital Accreditation Program

Standards: IC.02.02.01

MM.05 01 09 EP4

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day this report is posted to your organization's extranet site:

Program: Hospital Accreditation Program

MEDICAL REVIEW SRVS

 Standards:
 EC.02.05.07
 EP2

 EC.02.05.09
 EP3

EC.02.05.09 EP3 LS.02.01.10 EP4,EP9

The Joint Commission Summary of CMS Findings

MEDICAL STAFL & BICES

CoP:

§482.41

Tag: A:0700

Deficiency: Standard

Corresponds to: HAP

Text:

§482,41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(4)	A-0711	HAP - EC.02 05.07/EP2	Standard
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01 10/EP9	Standard

The Joint Commission **Findings**

Chapter:

Environment of Care

Program:

Hospital Accreditation

Standard:

EC.02.05.07

ESC 69 day

Standard Text:

The hospital inspects, tests, and maintains emergency power systems. Note: This standard does not require hospitals to have the types of emergency

power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection

requirements apply.

Primary Priority Focus Area: Patient Safety

MEDICAL REVIEW SRVS

Element(s) of Performance:

2. Every 12 months, the hospital either performs a functional test of battery-powered lights required for egress for a duration of 1 1/2 hours; or the hospital replaces all batteries every 12 months and, during replacement, performs a random test of 10% of all batteries for 1 1/2 hours. The completion date of the tests is documented.



Scoring Category :C

Score:

Insufficient Compliance

Observation(s):

EP 2

§482.41(b)(4) - (A-0711) - (4) Beginning March 13, 2006, a hospital must be in compliance with Chapter 19.2 9, Emergency Lighting.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Baptist Memorial Hospital -Tipton site.

No documentation was available to show that emergency power light number one was tested annually as required. Hospital indicated that they changed batteries annually and tested in excess of 10% of lights but that documentation was at Corporate due to installation of new work order system.

Observed in Document Review at Baptist Memorial Hospital - Tipton site.

No documentation was available to show that emergency power light number two was tested annually as required. Hospital indicated that they changed batteries annually and tested in excess of 10% of lights but that documentation was at Corporate due to installation of new work order system.

Observed in Document Review at Baptist Memorial Hospital -Tipton site.

No documentation was available to show that emergency power light's number three through twenty three were tested annually as required. Hospital indicated that they changed batteries annually and tested in excess of 10% of lights but that documentation was at Corporate due to installation of new work order system.

Chapter:

Environment of Care

Program:

Hospital Accreditation

Standard:

EC.02.05.09

Standard Text:

The hospital inspects, tests, and maintains medical gas and vacuum systems. Note: This standard does not require hospitals to have the medical gas and vacuum systems discussed below. However, if a hospital has these types of systems, then the following inspection, testing, and maintenance requirements

apply.

Primary Priority Focus Area:

Patient Safety

Organization Identification Number: 7823

Page 4 of 8

The Joint Commission **Findings**

Element(s) of Performance:

3. The hospital makes main supply valves and area shutoff valves for piped medical gas and vacuum systems accessible and clearly identifies what the valves control.



Scoring Category : A

Score:

insufficient Compliance

Observation(s):

901 475 5321

Observed in Building Tour Second Floor at Baptist Memorial Hospital -Tipton site.

On the second floor nurses station medical gas valves had shredder boxes with printers on top of them in front of medical gas zone valves. This arrangement was blocking the accessibility to the zone valves.

Chapter:

Infection Prevention and Control

Program:

Hospital Accreditation

Standard:

IC.02.02.01

ESC 45 day

ESC 60 days

Standard Text:

The hospital reduces the risk of infections associated with medical equipment,

devices, and supplies

Primary Priority Focus Area:

Infection Control

Element(s) of Performance:

2. The hospital implements infection prevention and control activities when doing the following: Sterllizing medical equipment, devices, and supplies. (See also EC.02.04.03, EP 4)



Scoring Category :A

Score:

Insufficient Compliance

Observation(s):

EP 2

Observed in the operating room at Baptist Memorial Hospital -Tipton site.

A Condition of Participation does not apply to this observation.

The log of an autoclave in a substerile room of the O.R. suite showed that it was being routinely used to sterilize instrument sets for cataract surgery. The hospital is currently in the process of purchasing additional instrument sets to allow such sets to be sent to central sterile processing for full cycle sterilization.

Observed in the operating room at Baptist Memorial Hospital -Tipton site.

A Condition of Participation does not apply to this observation.

A review of the log from a second autoclave in the operating room suite showed that it was being used routinely to sterilize instrument sets for several different orthopedic procedures and for general surgery procedures. The hospital has started purchasing additional instrument sets so that they can be sent to central sterile processing for the normal complete sterilization cycle.

Chapter:

Life Safety

Program:

Hospital Accreditation

Standard:

LS.02.01.10

Standard Text:

Building and fire protection features are designed and maintained to minimize the

effects of fire, smoke, and heat.

Organization Identification Number: 7823

Page 5 of 8

MEDICAL REVIEW SRVS

The Joint Commission Findings

Primary Priority Focus Area: Patient Safety

Element(s) of Performance:

4. Openings in 2-hour fire-rated walls are fire-rated for 1.1/2 hours. (See also LS.02 01 20, EP 3; LS.02.01.34, EP 2) (For full text and any exceptions, refer to NFPA 101-2000: 8,2,3,2,3.1)

Scoring Category : A

Score :

Insufficient Compliance

9. The space around pipes, conduits, bus ducts, cables, wires, air ducts, or pneumatic tubes that penetrate fire-rated walls and floors are protected with an approved firerated material.



Note: Polyurethane expanding foam is not an accepted fire-rated material for this purpose. (For full text and any exceptions, refer to NFPA 101-2000; 8.2.3.2.4.2)

Scoring Category :C

Score:

Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 4

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baittmore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to http://www.archives.gov/federal_register/code_of_federal_regulations/fbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Door and Frame on the second floor near room 224 had rating which was not able to be determined. This location had a dot on one door but not on both and no documentation was available to indicate what the dot indicated for rating. None of the frames on the second floor fire walls contained labels as to there rating.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Fire Door Frame on the second floor near room 68 had rating which was not readable.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Door and Frame on the second floor near room 110 had rating which was not able to be determined. This location had a dot on one door but not on both and no documentation was available to indicate what the dot indicated for rating. None of the frames at the second floor fire door locations contained labels as to there fire rating.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Door and Frame on the second floor near room 248 had rating which was not able to be determined. This location had a dot on one door but not on both and no documentation was available to indicate what the dot indicated for rating. None of the frames at the second floor fire door locations contained labels as to there fire rating.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

1st and 2nd floor has doors and frames that have had there rating labels removed and or made un-identifiable.

Observed in Building Tour Second Floor at Baptist Memorial Hospital -Tipton site.

Stairwell Door Frame located on the second floor near room 201 had label which was painted making it difficult to read.

Observed in Building Tour Second Floor at Baptist Memorial Hospital -Tipton site. On the second floor 2 west south stair well exit door was not labeled.

Observed in Building Tour Second Floor at Baptist Memorial Hospital - Tipton site. First Floor North Administration wing exit stair well door was not labeled.

EP 9

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Organization Identification Number: 7823

Page 7 of 8

10 10-

MEDICAL REVIEW SRVS

The Joint Commission Findings

2" penetration was located above doors in one hour wall near room 224 on the second floor. This was corrected at time of survey.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Exit stair tower near room 247 had 1° penetration above door to stair tower. This was corrected at time of survey.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

2" penetration was located above doors in one hour wall near room 210 on the second floor. This was corrected at time of survey.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Open penetration was located above doors in one hour wall near room 68 on the second floor. This was corrected at time of survey.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

2" penetration was located above doors in one hour wall near materials management on the first floor. This was corrected at time of survey.

Observed in Building Tour at Baptist Memorial Hospital -Tipton site.

Open penetration was located above doors in one hour at entrance to materials management store room. This was corrected at time of survey.

Chapter:

Medication Management

Program:

Hospital Accreditation

Standard:

MM.05.01.09

ESC 45 days

Standard Text:

Medications are labeled.

Primary Priority Focus Area:

Medication Management

Element(s) of Performance:

4. All medications prepared in the hospital are correctly labeled with the following: Expiration date when not used within 24 hours.



Scoring Category : A

Score :

Insufficient Compliance

Observation(s):

EP 4

Observed in the 2 East nursing unit at Baptist Memorial Hospital -Tipton site.

An antibiotic IV admixture was found in the refrigerator in the medication room. It had been prepared several days before the survey. There was no expiration date on this medication.

Observed in the 2 East nursing unit at Baptist Memorial Hospital -Tipton site.

A second IV medication that had been prepared several days before the survey was found in the unit's medication refrigerator with no expiration date.



STATE OF TENNESSEE DEPARTMENT OF HEALTH

WEST TENNESSEE HEALTH CARE FACILITIES 781-8 AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

February 17, 2009

Mr. Barry Bondurant, Administrator BMH - Tipton 1995 Hwy 51 S Covington, TN 38019

RE: Licensure Survey

Dear Mr. Bondurant:

We are pleased to advise you that no deficiencies were cited as a result of the licensure survey completed at your facility on **February 2**, **2009**. The attached form is for your files.

If this office may be of any assistance to you, please do not hesitate to call (731) 421-

Sincerely,

Clia Skelley, MSN, RN

Public Health Nurse Consultant 2

CES/TJW

Enclosure

STATEMEN AND PLAN	T OF DEFICIENCIES OF CORRECTION	XV PROVIDER SUPPLIENCE OPENTIFICATION NUMBER	R (X2) MULTIF	PLE CONSTRUCTION	(XJ) DATE SURVEY COMPLETED
NAME OF P	ROVIDER OR SUPPLIER		REET ADDRESS CITY S		02/02/2009
	MEMORIAL HOSPIT	AL TIRTON	995 HIGHWAY 51 S OVINGTON, TN 3801		
(X4) ID PREFIX TAG	(EACH DEFICIENCY	TEMENT OF DEFICIENCIES MUST BE PRECEDED BY FUL SC IDENTIFYING INFORMATION	L PREFIX	PROVIDER'S PLAN OF JEACH CORRECTIVE ACT CROSS-REFERENCED TO T DEFICIENCE	TION SHOULD BE COMPLETE DATE
H 002	participation reviews	s with all requirements fed for Acute Hospitals described to survey on 2/2/09. No	or uring		
# #					
					3
ion of Healt	h Care Facilities				

IMR611

STATE FORM



STATE OF TENNESSEE DEPARTMENT OF HEALTH

WEST TENNESSEE HEALTH CARE FACILITIES 781-8 AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

February 17, 2009

Mr. Barry Bondurant, Administrator BMH - Tipton 1995 Hwy 51 S Covington, TN 38019

RE: PECU Licensure Survey

Dear Mr. Bondurant:

We are pleased to advise you that no deficiencies were cited as a result of the licensure survey conducted at your facility on **February 2, 2009**. The attached form is for your files.

If this office may be of any assistance to you, please do not hesitate to call (731) 421-5113.

Sincerely,

Celia Keliku Hu Celia Skelley, MSN, RN

Public Health Nurse Consultant 2

CES/TJW

Enclosure

If continuation sheet it of t

Division of Health Care Facilities

STATEMENT AND PLAN O	OF DEFICIENCIES OF CORRECTION	X1) PROVIDER SUPPLIDENTIFICATION N	LERICLIA NUMBER	A BUILDING		(X3) DATE SU	
NAME OF BE	OMPER OF THE T	TNP531117	γ	8 WNG _		02/0:	2/2009
	NOVIDER OR SUPPLIER			DORESS CITY S	TATE ZIP CODE	1 050	2008
BAPTIST	MEMORIAL HOSPIT	AL TIPTON	COVING	GHWAY 81 S ITON, TN 3801	19		
(X4) ID PREFIX TAG	(EACH DEFICIENCY	TEMENT OF DEFICIENC MUST BE PRECEDED & SC IDENTIFYING INFORM	IV ELLE	PREFIX TAG	PROVIDER'S PLAN OF (EACH CORRECTIVE ACT CROSS-REFERENCED TO T DEFICIENCE	ION SHOULD BE HE APPROPRIATE	(XS) COMPLE DATE
P 002	1200-8-30 No Defic	iencies		P 002			
	This facility complie participation reviews Emergency Care Falicensure survey on	ed for BASIC Pedia	atric				
				4			
on of Heath	Care Facilities			i i			
					TITLE		
RATORY DIR	ECTOR'S OR PROVIDER	SI, PPLER REPRESENT	ATIVE S SIGNA	TURE	c	(KB) DA	ITE
E FORM			1001	31 (364			

2LR611



STATE OF TENNESSEE DEPARTMENT OF HEALTH WEST TENNESSEE HEALTH CARE FACILITIES 781-B AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

February 9, 2009

Mr. Barry Bondurant, Administrator **BMH Tipton** 1995 Hwy 51 S Covington, TN 38019

RE: Fire Safety Licensure Survey

Dear Mr. Bondurant:

Enclosed is the statement of deficiencies for the fire safety licensure survey completed at your facility on February 3, 2009. Based upon 1200-8-1-.06, you are asked to submit an acceptable plan of correction for achieving compliance with completion dates, and signature 10 days from the date of this letter.

Please address each deficiency separately with positive and specific statements advising this office of a plan of correction that includes acceptable time schedule, which will lead to the correction of the cited deficiencies. Enter on the right side of the State Form, opposite the deficiencies, your planned action to correct the deficiencies and the expected completion date. The completion date can be no longer than 46 days from the day of survey. Before the plan can be considered "acceptable," it must be signed and dated by the administrator

Your plan of correction must contain the following:

How the deficiency will be corrected;

How the facility will prevent the same deficiency from recurring.

The date the deficiency will be corrected;

How ongoing compliance will be monitored.

Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be

if assistance is needed, please feel free to call me at 731-421-5113.

Sincerek

Skelley Fw Cella Skelley, MSN, RN

Public Health Consultant Nurse 2

CS/TW

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPL	123 ERICLIA (X2) MIN	TIPLE CONSTRUCTION	FORM APPROV
	IDENTIFICATION NO	MBER A BUILDI	ING 77 - BMH-TIFTON /OFF SITE E	COMPLETED
NAME OF PROVIDER OR SUPPLIE	TNP531117			
		STREET ADDRESS, CITY	STATE, ZIP CODE	02/03/2009
BAPTIST MEMORIAL HOSE		1995 HIGHWAY 51 8 COVINGTON, TN 38) 019	
TAG REGULATORY OF	STATEMENT OF DEFICIENCIE ICY MUST BE PRECEDED BY R LSC IDENTIFYING INFORMA	10	PROVIDER'S PLAN OF CORREC (EACH CORRECTIVE ACTION SHO CROSS-REFERENCED TO THE APPR DEFICIENCY)	
(1) The hospital n and maintained to petient.	Building Standards nust be constructed, ar ensure the safety of th	H 871	See Control (
The findings include Observations during beginning at 9:00 AA were noted: 1. The East wing on emergency receptact with red cover plates 2. Two (2) emergency	the facility tour on 2/3 the following problem the 2nd floor had 8 of the had white receptactorer them.	709 18	1. Red emergency receptack orderd to replace white plugs. Maintenance will inspect during monthly inspections to insure corresplugs are present.	
			2. Breaker had been tripped during floor cleaning and had not been reset. Breaker was inspected and found to be in good order and reset. Maintenance will continue to inspect monthly to insure lights work properly.	



STATE OF TENNESSEE DEPARTMENT OF HEALTH WEST TENNESSEE HEALTH CARE FACILITIES 781-8 AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

February 26, 2009

Mr. Barry Bondurant, Administrator BMH – Tipton 1995 Hwy 51 S Covington, TN 38019

RE: Fire Safety Licensure Survey

Dear Mr. Bondurant:

On **February 3, 2009**, a fire safety licensure survey was conducted at your facility. Your plan of correction for this survey has been received and was found to be acceptable.

Thank you for the consideration shown during this survey.

Sincerely,

Celia Skelley, MSN, RN

Public Health Nurse Consultant 2

CES/TJW



STATE OF TENNESSEE DEPARTMENT OF HEALTH

WEST TENNESSEE HEALTH CARE FACILITIES 781-B AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

March 24, 2009

Mr. Barry Bondurant, Administrator BMH - Tipton 1995 Hwy 51 S Covington, TN 38019

Dear Mr. Bondurant:

On March 17, 2009, a surveyor from our office completed a revisit to verify that your facility had achieved and maintained compliance. Based on our revisit, we found that your facility had demonstrated compliance with deficiencies cited on the fire safety licensure survey completed on February 3, 2009.

If this office may be of any assistance to you, please call 731-421-5113.

Sincerely,

Celia Skelley, MSN, RN

Public Health Nurse Consultant 2

CS/TW

Joint Commission

BMH-Memph is

September 8, 2011

Derick Ziegler CEO Baptist Memorial Hospital 6019 Walnut Grove Road Memphis, TN 38120 Joint Commission ID #: 7869 Program: Hospital Accreditation Accreditation Activity: 45-day Evidence of

Standards Compliance

Accreditation Activity Completed: 08/29/2011

Dear Mr. Ziegler:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 11, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit <u>Quality Check®</u> on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.

Executive Vice President

Accreditation and Certification Operations

An Sort Marin LN, PhD



September 8, 2011

Re: # 7869 CCN: #440048

Program: Hospital

Accreditation Expiration Date: September 11, 2014

Derick Ziegler CEO Baptist Memorial Hospital 6019 Walnut Grove Road Memphis, Tennessee 38120

Dear Mr. Ziegler:

This letter confirms that your June 06, 2011 - June 10, 2011 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on August 19, 2011 and August 12, 2011, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of June 11, 2011. We congratulate you on your effective resolution of these deficiencies.

§482.11 Condition of Participation: Compliance with Federal, State and Local Laws

§482.23 Condition of Participation: Nursing Services

§482.24 Condition of Participation: Medical Record Services

§482.26 Condition of Participation: Radiologic Services

§482.41 Condition of Participation: Physical Environment

The Joint Commission is also recommending your organization for continued Medicare certification effective June 11, 2011. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation also applies to the following location(s)

Baptist Memorial Hospital d/b/a Baptist memorial Hospital - Memphis Campus 6019 Walnut Grove Road, Memphis, TN, 38120

Baptist Memorial Hospital - Collierville Campus 1500 West Poplar, Collierville, TN, 38017

www.jointcommission.org

Headquarters

One Renaissance Boulevard Oakbrook Terrace, II 60181 630 792 5000 Voice



Baptist Memorial Hospital for Women Mammography 4545 Poplar Avenue, Memphis, TN, 38117

Baptist Memorial Hospital for Women 6225 Humphreys Blvd., Memphis, TN, 38120

Baptist Rehab 440 Powell Road, Collierville, TN, 38017

Outpatient Rehab East 50 Humphreys Boulevard, Suite 36, Memphis, TN, 38120

Stern Cardiovascular Clinic Outpatient Diagnostics 8060 Wolf River Boulevard, Germantown, TN, 38138

Women's Health Center 50 Humphreys Boulevard, Suite 23, Memphis, TN, 38120

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Score Marin RN, PhD

Ann Scott Blouin, RN, Ph.D. Executive Vice President Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services CMS/Regional Office 4/Survey and Certification Staff

www.jointc-/mess@mn ing

Baptist Memorial Hospital 6019 Walnut Grove Road Memphis, TN 38120

Organization Identification Number: 7869

Evidence of Standards Compliance (45 Day) Submitted: 8/19/2011

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation:

As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

 Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

131
The Joint Commission
Summary of Compliance

Program	Standard	Level of Compliance
HAP	IM.02.02.01	Compliant
HAP	LS.01.02.01	Compliant
HAP	MM.04.01.01	Compliant
HAP	TS.03.02.01	Compliant

The Joint Commission Summary of CMS Findings

CoP:

§482.23

Tag: A-0385

Deficiency: Compliant

Corresponds to:

HAP

Text:

§482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

Deficiency Corresponds to CoP Standard Tag Compliant HAP - MM.04.01.01/EP13 §482.23(c)(2) A-0406

CoP:

§482.41

Tag: A-0700

Deficiency: Compliant

Corresponds to:

HAP

Text:

§482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to

the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency	
§482.41(c)(2)	A-0724	HAP - EC.02.03.05/EP19	Compliant	

August 29, 2011

Derick Ziegler CEO Baptist Memorial Hospital 6019 Walnut Grove Road Memphis, TN 38120 Joint Commission ID #: 7869
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed:
08/29/2011

Dear Mr. Ziegler:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that 'The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit Ouality Check® on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely.

Ann Scott Blouin, RN, Ph.D.

Executive Vice President

Accreditation and Certification Operations

Am Sort Herin W. PhD

EPARTMENT OF HEALTH AND HUMAN SERVICES ENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 10/24/2007 FORM APPROVED OMB NO. 0938-0391

	OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CU		ULTIPLE CONSTRUCTION LDING 01 BAPTIST MEMORIAL HOR	(X3) DATE
	440048	1.00.	LDING 01 BAPTIST MEMORIAL HOS	COMPLETED
AME OF PRO	WIDER OR SUPPLIER		STORET ADODESE OFF	10/17/2007
APTIST ME	MORIAL HOSPITAL	81	STREET ADDRESS, CITY, STATE, ZIP CODE 6019 WALNUT GROVE ROAD MEMPHIS, TN 38120	
(X4) ID	SUMMARY STATEMENT OF DEFICIENCIES	(D	PROVIDER'S PLAN OF CORRECTION	T (ME)
PREFIX	(EACH DEFICIENCY MUST BE PRECEEDED	PREFD		(X5)
TAG	BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	TAG	CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	COMPLETION
NO.				
A 166	482.13(e)(4)(i) PATIENTS RIGHTS: RESTRAINT OR SECLUSION The use of restraint or seclusion must be in accordance with a written modification of the patient's plan of care. This STANDARD is not met as evidenced	A 166	The use of restraint or seclusion must be in accordance with a written modification of the patient's plan of care. Revised existing decision tree (Attachment #1) to direct the appropriate assessment, management, and documentation of the restraint episode. The decision tree	10/31/07
	by: Based on medical record review, observation and interview, it was determined that the hospital failed to ensure a comprehensive assessment that included a physician assessment to identify medical problems that might be causing behavior changes in the patient had been completed and patient plane of care modified to include the use of restraints for 3 of 3 (Patients #10, 11, and 13) sampled patients with restraints. The findings included: 1. Medical record review for patient #10		Includes: Consultation with charge nurse/manager prior to restraint Notification of House Supervisor for every restraint outside of Critical Care. Notify Critical Care charge nurse/manager prior to restraints inside Critical Care. House Supervisor/Charge Nurse/Manager, in conjunction with the bedside nurse, will essure that alternatives have been exhausted and	
	documented bilateral wrist restraints were applied to the patient on 10/12/07. Observations on 10/18/07 at 1100 revealed bilateral wrist restraints intact on the patient. Review of the patient's most recent plan of care dated 10/12/07 revealed no documentation the plan of care had been modified to include the use of		are documented. House Supervisor/Charge Nurse/Manager, in conjunction with the bedside nurse, will assure that the Plan of Care is updated to reflect the interventions. House Supervisor/Charge Nurse/Manager will monitor compilance by rounding on all restrained patients daily or every 12 hours depending on the category of	
	restraints. 2. Medical record review for patient # 11 documented the patient was placed in bilateral wrist restraints on 10/7/07		restraint. Monitoring will include documentation and the Plan of Care Physician notification remains inherent within the decision tree.	
	Observations on 10/16/07 at 1130 revealed bilateral wrist restraints intact on the patient.		Process Changes: Restraints will no longer be available from Central Supply (CSR) carts on units. Remove restraints from CSR carts on all the units.	11/20/07
	Review of the patient's plan of care Continued From page 1 dated 10/16/07 revealed no documentation the care plan had been		Remove all belts and vests from hospital inventory All requests for a restraint will follow the revised Decision Tree	

TATEMENT C	F DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CLIA	X2) MU	ILTIPLE CONSTRUCTION	' (X3) DATE S	JRVEY
10 PLAN OF	CORRECTION	IDENTIFICATION NUMBER	1	DING BAPTIST MEMORIAL HOS	1 COMPU	ETED
		440048			10/17	/2007
AME OF PRO	OVICER OR SUPPLI	ER		STREET ADORESS, CITY, STATE ZIP CO	0E	
BAPTIST	MEMORIAL HOSP	ITAL		6018 WALNUT GROVE ROAD MEMPHIS, TN 38120		
,X4) ID		TEMENT OF DEFICIENCIES	ID ID	PROVIDER'S PLAN OF CORRECT	TION	(X5)
PREFIX	EACH DEFICIENCE FULL REGULAT	CY MUST BE PRECEDED BY ORY OR LSC (DENTIFYING FORMATION)	PREFIX TAG	(EACH CORRECTIVE ACTION SHOULD REFERENCED TO THE APPROPRIATE I		DATE
A 166	restraints	o include the use of There was no documentation are plans.		Validate appropriate document House Supervisor/Critical C charge nurses will ensure the	are and ED	11/20/0
	Medical nedocument bitateral v	scord review for patient #13 led the patient was placed in wrist restraints on 10/12/07 ions on 10/16/01 at 1150 bilateral wrist restraints intact		and generate appropriate do restraint application: MD notification to obtain Complete nursing docu Updates Plan of Care Notification and Educat family/significant other	ocuments for n order mentation	
	on the pa	tient. If the most recent plan of care 11/07 revealed no tation the plan of care had dified to include the use of		Monitoring - House Supervisor/Critical Congress nurses Concurrent in 100% of the restraint process completion utilizing the Med Pt Tool/Restraint Log (Attack)	nonitoring of is for ical Restraint	11/20/0
	4 During at 1155, the the above	n interview on 10/16/07 at i Chief Nursing Officer verified s.		Education Mandatory Educational being conducted promo mandatory education o the Restraint/Seclusion process, alternatives to monitoring expectations	oting on all aspects of Policy, new orestraint and	11/8/07 11/21/0
				#3), Our intranet based Net software will be used to post-test and keep com Numerator = all who co education, denominator should be educated. (A	administer the injection logs, mplete r = all who	11/7/0
A 168		5. PATIENTS RIGHTS: OR SECLUSION	A 168	Validate appropriate documen House Supervisor/Critical C charge nurses will ensure the and generate appropriate december.	are and ED nat Staff obtain	
	accordance of other license is responsible specified and order restrain	straint or seclusion must be in with the order of a physician or d independent practitioner who a for the care of the patient as ler 482 12(c) and authorized to it or seclusion by hospital ordance with Stale law.		restraint application: MD notification to obtain Complete nursing docu Updates Plan of Care Notification and Educat family/significant other	n order mentation	100 mm
	This standard Based on pol interview it w failed to obta	t is not met as evidenced by icy review, record review, and as determined that the hospital in orders for the use of medical all patients for 1 of 3		Monitoring • House Supervisor/Critical C charge nurses monitors 100 restraint process for comple the restraint log (Artachment	% of the tion utilizing	11 20/0
		sampled patients with medical		Education Mandatory Educational	Skulls Face	11/6/07

	OF DEFICIENCIES F CORRECTION	2X1, PROVIDER/SUPPLIER/C	ER A BL	JILDING BA	ONSTRUCTION APTIST MEMORIAL HOS	(X3) DATE	SURVEY
		440048	BW	ING		10/4	7/2007
	OVIDER OR SUPPLIE MEMORIAL HOSPI			E)	DORESS, CITY STATE, ZIP COD		772007
	· Accidental and America			М.	EMPHIS, TN 38120		
X4) ID PREFIX TAG	EACH DEFICIENCY FULL REGULATO	EMENT OF DEFICIENCIES Y MUST BE PRECEEDED BY IRY OR LSC IDENTIFYING ORMATION)	PREFIX TAG	(EACH C	ROVIDER'S PLAN OF CORRECTI ORRECTIVE ACTION SHOULD B ICED TO THE APPROPRIATE DE	E CROSS	(X5) COMPLETION DATE
	"Medical Rings of the physical Physical Rings of the physical Physical Rings of the Phys	the hospital's policy, estraint", documented, tinued use of restraints first 24-hours is authorized sician this renewal or new used no less than once each lay* cord review for Patient #11 d, on the restraint toms dated 10/07/07 to			being conducted promoting mandatory education on a the Restraint/Sectusion Proprocess, alternatives to remonitoring expectations (///3). Our intranet based Net Lesoftware will be used to accompendate and keep completion, denominator as should be educated. (Attack	all aspects of offcy, new estraint and Attachment offcoming deninister the stolete all who others #4)	
	restraints in documental for the restraints in 10/8/07 and Observation revealed bill on the patie documental for the 10/1	ne patient had bilateral wrist tect. There was no tion of a physician's order alms for 10/7/07 and if from 10/10/07 to 10/14/07, as on 10/16/07 at 2:00 PM ateral wrist restraints intact at. There was no tion of a physician's order 5/07 restraints.			Beptist MD, our electronic communication portal will the with a reminder that restration immediate physician notific order. The CNO will be placed on agenda of the Medical State Committee meetings to addresse of immediate notifical types of restraints.	physician be flagged ints require cation and in the	11/13/07 11/12/07
A 175	2:07, the Ch the above. Refer to A 175	Iterview on 10/16/07 at lief Nursing Officer verified	A 175	Patie	nts in restraints are continua	dh.	
	The condition of restrained or sec by a physician, o practitioner or tracompleted the traparagraph (f) of the determined by he	AINT OR SECLUSION the patient who is fuded must be monitored ther licensed independent ined staff that have lining criteria specified in his section at an interval expiral policy.		monn	ation Mandatory Educational Skill being conducted promoting mandatory education on all the Restraint/Seclusion Polic process, alternatives to restr monitoring expectations (Att #3). Our intranet based Net Lear	aspects of cy, new raint and achment	11/6/07
	neview, and inten- hospital failed to a were continually in for 3 of 3 (Patients sampled patients The findings included the Review of the	1		• 3h	software will be used to administration, denominator = all who completed education, denominator = all should be educated. (Attachmark education) (Attachmark edu	on logs. te who ment #4)	11/20/07

STATEMENT OF DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CLA	(X2) MULTIPL	E CONSTRUCTION	(X3) DATE S	URVEY
AND PLAN OF CORRECTION	DENTIFICATION NUMBER:		BAPTIST MEMORIAL HOS	COMPL	ETED
	440048			10/1	7/2007
WAME OF PROVIDER OR SUPPLI BAPTIST MEMORIAL HOSP		STRE	ET ADDRESS, CITY, STATE, ZIP CO \$019 WALNUT GROVE ROAD MEMPHIS, TN 38120		
PREFIX EACH DEFICIENCE FULL REGULATION	EMENT OF DEFICIENCIES BY MUST BE PRECEEDED BY ORY OR LSC IDENTIFYING FORMATION)	ID PREFIX (EA TAG REF	PROVIDER'S PLAN OF CORRECT CH CORRECTIVE ACTION SHOULD ERENCED TO THE APPROPRIATE OF	BE CROSS-	(X5) COMPLETION DATE
minimum hour ass includes the signs cit continued restraint status and coursent bilateral with 1100. Review of document the patien was no do vital signs psychologiassessed. Review of Assessme dated 10/1 document the restraint signs psychologiassessed.	on of the patient occurs a of every 1 essment every 2 hours the following, vital roulation and release of From page3 physical, psychological comfort* ecord review for Patient #10 ed the patient was placed in rist restraints on 10/12/07 at riew of the "Medical Restraint int and Documentation" form 12/07 revealed no ation of visual observation of tifrom 0300 – 0800. There incurrentation the patient's circulation/release, physical, ical and comfort status were from 0000 – 0600. The "Medical Restraint and Documentation" Form 13/07 revealed no ation of visual observations of int or assessment of the ital signs, circulation/release, sychological and comfort in 1100 – 1400 and from 0400		on units. Remove restraints from all the units. Remove all belts and ve hospital inventory. All requests for a restrain from the unit to the House Critical Care charge nurcharge nurse. Materials restraints only on order Supervisor, Critical Care Charge Nursee. Asalgning bottom line account continual monitoring and evaluations in restraints: Nurse Managers/Charge Nurse verify documentation and appolicy. House Supervisor/Critical Cacherge nurses monitors 1005 restraint process for complete the restraint log (Attachment	ats from Int must come Is Supervisor, Is or ED Is of the House Is and ED Is ability for Is satisfied and In sati	11/20/07
Assessment dated 10/10 document	the "Medical Restraint int and Documentation" form 14/07 revealed no ation of assessments of the ital signs from 0700 – 1400	: ::		5 5 6 8	
Assessme dated 10/ document the restrai patient's it physical, p	the 'Medical Restraint int and Documentation' form 15/07 revealed no ation of visual observations of ints and assessments of the al signs, circulation/release, isychological and comfort in 1200 – 1400			1	
document bilateraf w There was patient's m	cord review for patient #11 ad the patient was placed in nst restraints on 10/7/07 no documentation in the sedical record of the Medical assessment and	211			

		CIENCIES	(X1) PROVIDER/SUPPLIER/CLIA	(X2) MUL	TIPLE CONSTRUCTION	TAG (EX;	SURVEY
NO PLAN (OF CORRE	ECTION	DENTIFICATION NUMBER	A BUILD	NG BAPTIST MEMORIAL HOS	COM	PLETED
			440048	t		10	/17/2007
AME OF P	ROVIDER	OR SUPPL	£R.	SI	TREET ADORESS, CITY, STATE, ZIP	CODE	
BAPTIST	T MEMOR	RIAL HOSP	ITAL	8	6019 WALHUT GROVE ROAL		
	·			!	MEMPHIS, TN 38120		
,X4) (D			EMENT OF DEFICIENCIES	10	PROVIDER'S PLAN OF CORR	ECTION	(X5)
PREFIX		L REGULATO	DRY OR LSC IDENTIFYING	PREFIX	EACH CORRECTIVE ACTION SHOUREFERENCED TO THE APPROPRIATE	LO BE CROSS-	COMPLETION
TAG		IN	FORMATION)		TO C.	- SET ICIENCY)	UATE
(1113 - 1 130 - 1			ation" forms for the use of				7
		restraints.					4.5
			Interview on 10/16/07 at 2:30 hief Nursing Officer (CNO)				
		verified the	ere was no documentation of				
	1		ni restraint assessment forms				
		assessme	nt would be documented in				
	1	the compu	iter generated nurse's notes.				
	1		the computerized generated				
	1		te dated 10/7/07 revealed no attorn of visual observations of				
	¥.		nts at 1900 and 2000.				
	i	Review of	the computerized generated				E
	ž.	nurse's no	tes dated 10/10/07 revealed				E
			entation of visual ns of the restraint or				
		255056MQ	nts of the patient's vital signs,				4
	10		/release, physical, ical and comfort status from				1
	1	0600-1900			į		!
	1	Review of	the computerized generated		Î.		
	2		tes dated 10/15/07 revealed				
			entation of visual ns of the restraint or		3		į
	1	assessme	nts of the patient's vital signs,		İ		
	ŝ		/release, physical, ical and comfort status from				1
		1200 - 15					:*
	4	Medical Re	ecord review for Patient #13				
		documente	ed the patient was placed in				
		olateral wi	rist restraints on 10/12/07 at				3
			the chief d'ant Character de la d		8		# V
			the "Medical Restraint and attention" form dated 10/12/07				<u> </u>
			o documentation of visual				
		and 1100.	n of the restraints at 1000				
		Dayma of	the 'Medical Restraint and				
			ation" form dated 10/13/07				
			ocumentation of visual				
			ns of the restraint or nts of the patient's vital signs				
		circulation/	release physical,				
		psychologic 1500 – 060	cal and comfort status from				

Event 13 XU5311 212 Facility 10 ThP531134 - 157 5

The English of Section 1942			AULTIPLE CONSTRUCTION ILDING BAPTIST MEMORIAL HOS	X3) DATE SURVEY COMPLETED	
O PLAN OF	CORRECTION SCENT FICATION NUMBER	B WI	0	COMPLETED	
	440048	ľ		10/17/2007	
	OVIDER OR SUPPLIER		STREET ADDRESS, CITY, STATE, ZIP CO 6019 WALNUT GROVE ROAD MEMPHIS, TN 38120	O€	
X4) ID REFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	PREFIX TAG	PROVIDER'S PLAN OF CORRECT EACH CORRECTIVE ACTION SHOULD REFERENCED TO THE APPROPRIATE (BE CROSS- COMPLETION	
	Review of a "Medical Restraint and Documentation form, which was not dated but verified by the Unit Director as the form for 10/14/07, revealed no documentation of visual observations or assessments of the patient's vital signs, circulation/release, physical, psychological and comfort status from 0100 – 0600. Review of a "Medical Restraint and Documentation form, which was not dated but verified by the Unit Director as the form for 10/15/07, revealed no documentation of visual observations or assessments of the patient's vital signs, circulation/release, physical, psychological and comfort status from 0700 – 1800. 5 During an interview on 10/16/07 at 11:00 AM, the Unit Director verified the above findings.				
A 385	The hospital must have an organized nursing services that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse. This CONDITION is not met as evidenced by: Based on medical record review, observations and interview, it was determined the nursing staff failed to provide necessary service to all patients.	A 385	Nursing Services will provide services to all patients. Furthe Services will assure that proviservices by deploying action plinclude staff education, freque monitoring, and assigning bot accountability for documenting compilance:	r, Nursing sion of plans that ant tom-line	
	The findings include: The nursing staff failed to follow hospital policy for the assessment and supervision and documentation for the use of restraints. Refer to A 175	A 175	The hospital will ensure that parestraints are continually monicevaluated. Compliance will be achieved by Education Mandatory Educational is being conducted promotionandatory education on	y: I I/21/07 Skiils Fair is	

	T OF DEFICIENCIE	ES (X1) PROVIDER/SUPPLIER/O	CLIA 🙏 (X2) N	MULTIPLE CONSTRUCTION	(X3) DATE	SURVEY
		IDENTIFICATION NUMB		ING	COMPLETED	
-		440048			10/	17/2007
	ROVIDER OR SUF T MEMORIAL H			STREET ADDRESS, CITY, STATE ZIP CO	DE	
(X4) ID PREFIX TAG	(EACH DEFICI	ITATEMENT OF DEFICIENCIES ENCY MUST BE PRECEEDED BY LATORY OR USC IDENTIFYING INFORMATION)	PREFIX TAG	PROVIDER'S PLAN OF CORRECT (EACH CORRECTIVE ACTION SHOULD REFERENCED TO THE APPROPRIATE (BE CROSS	(X5) COMPLETION DATE
	and ever Refer to 3. The nur and upo each pa	rsing staff failed to supervise sluate the care for each patient o A 395.		process, alternatives to monitoring expectations #3). Our intranet based Net software will be used to post-test and keep come Numerator = all who considered in the education, denominator should be educated. (At Decreasing opportunities to fair restraint reduction strategies: Change process for obtaining restraints. Restraints will not available from Central Supplication units. Remove restraints from all the units. Remove all belts and verifical care charge number from the unit to the House Critical Care charge number on order of Supervisor, Critical Care Charge Nurses. Assigning bottom time accounts continual monitoring and evaluation and appointed in restraints: Nurse Managers/Charge Nurse verify documentation and appolicy. House Supervisor/Critical Care charge nurses monitors 100% restraint process for complete the restraint log (Attachment in the restraint log (Attachment in the straint log in the straint	restraint and (Attachment (Attachment (Attachment (Attachment) (Attachment (Attachment) (Attachm	
	Refer to	A166 and A 396. RN SUPERVISION OF				

A legistered nurse must supervise and

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION (X1) PROVIDER/SUPPLIER/CL DENTIFICATION NUMBER 440048				OS COMP	(X3) DATE SURVEY COMPLETED 10/17/2007	
_	OVIDER OR SUPPLIE			STREET ADDRESS, CITY, STATE, Z 6019 WALNUT GROVE RO MEMPHIS, TN 38129	P CODE	1112001
(X4) IO PREFIX TAG	FIX (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING		IO PREFIX TAG	PROVIDER'S PLAN OF CORRECTION FIX LEACH CORRECTIVE ACTION SHOULD BE		(X5) COMPLETION DATE
	evaluate the nu	ursing care for each patient.		Î Î		
A 396	by: Based on robservation, and determined the correctly asset provide wound physician's ord #11, and #20) pressure ulcer physician's ord 1 (Patient #12) ordered fluid in The findings in 1. Medical re Patient #1 with a dial Review of assessment document impairmer Braden so skin breel Review of 10/12/07 rescard prescant amo open to all Review of 10/12/07 rescard prescant amo open to all Review of 10/12/07 rescard prescard amo open to all Review of 10/13/07 rescard pressure with following 10/13/07 apressure with ressing a ressure ressu	cluded: cords review revealed was admitted on 9/27/07 gnosis of rib/sbdominal pain. the initial nursing skin int, dated 9/27/07, revealed attorn there was no skin it and the patient had a core of 15 (low level of risk for idown). the ET nurse's note dated revealed documentation of a seure ulcer 4 cm x 7 cm with ount of drainage and dressing r. physician's orders dated revealed the following order: em cintment to sacral wound id daily) 3) float heels off the physician's orders dated evealed the following: ise Duodern on sacral cicer if the nursing notes revealed ing documentation it 15 36: "Stage I sacral yound" Dressing, Alleyn	A 398	Nursing staff will correctly and provide wound care in the physician's orders. Standardize Education and Tools Deployed Wound Care (Attachment # 5) Content developed (SOS) team Poster presentation to identify stages of measuring techniques with hands materials conducted Mandatory self sturb Learning Increased monitoring of content wound as the self of the self parties and the self parties are persentation of the self parties and the self parties are persentation of the self parties are self-self pictures of the self-self pictures of the self-self-self-self-self-self-self-self-	d Assessment d Assessment Education Ptan by Save Our Skin at education fair f decubitus and use. sessment training on education id with test via Net compliance rounds at education id white the compliance compliance using monitor ssment tool kit to of skin entation/navigation wounds at white education educa	

3. TATEMENT OF DEFICIENCIES ,X1, PROVIDER SUPPLIER CLI 4. ND PLAN OF CORRECTION IDENTIFICATION NUMBER 440048		R A BU	MULTIPLE CONSTRUCTION IILDING BAPTIST MEMORIAL HOS ING	COMPLETED		
	ROVIDER OR SUPP			STREET ADDRESS, CITY, STATE, ZIP CO 6019 WALNUT GROVE ROAD MEMPHIS, TN 38120	.oe	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC (DENTIFYING INFORMATION)		ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
	pressur 10/15/0 pressur 10/15/0 pressur 10/15/0 pressur 10/17/0 pressur 10/17/0 pressur 00/17/0 of the pwound dressin mediun gray cr (centim was ob of a wh On 10/ caregiv not app wound Review adminis docum for the 10/17/7 physici have b Medica nursing dressir sacral 2. Medica reveale skin as 10/7/07 ulcer, S Stage I 10/8/07 tear ulc 'groin, Stage I 10/9/07 Vound 10/10/0	"-06:00 "Wound 1 groin, skin cer, Stage il" 2:00, "Wound intact 'Wound 2 Scrotum ulcer,				

STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLI ND PLAN OF CORRECTION DENTIFICATION NUMBER		ABER: A BL	MULTIPLE CONSTRUCTION JILDING BAPTIST MEMORIAL HOS TING	(X3) DATE SURVEY COMPLETED	
440048				10/17/2007	
	ROVIDER OR SUPPLIER F MEMORIAL HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CO 6019 WALNUT GROVE ROAD MEMPHIS, TH 38120	DO€	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING (INFORMATION)	IO PREFIX TAG	PROVIDER'S PLAN OF CORRECT	BE CROSS- COMPLETIO	
	reveal documentation related to Wour 2 10/11/07 = 10/17/07. Medical record review failed to reveal documentation impaired skin or wounds. On 10/17/07 at 1.30 PM, Patient #11 was observed to have 2 open red are approximately 2.5 cm in diameter on his scrotum. Observation of the right groin fold area revealed the skin in the center of the fold was not intact and was dark pink in color. 3. Medical record for Patient #20 documented the patient was admitted on 9/14/07 and had surgery 9/15/07 is a CABG (Coronary Artery Bypass Graft). The patient was diagnosed as new diabetic on 9/15/07 and started or insulin. The nurses note revealed the followin documentation: 9/19/07 at 1543: "abrasion on buttock 9/20/07: "skin tear buttock" 9/22/07 1900: "Wound 1 Location Rigil Buttock Pressure Ulcer Stage 2 Hypergranulated." 9/23/07: The wound care nurse was consulted. 9/25/07 the wound care nurse documented, "Stage 3 decubitus ulcer to sacrum 3cm x 1 5 cm with yellow necrotic tissue covering wound base. Wound with loosely detached edges from wound. Wound dry without erythema or odor" Orders dated 9/25/07 documented," Accuzyme ontment to sacral wound daily, cleanse with NS (normal saline), apply Accuzyme ontment to wound base cover with moist gauze then cove with 4x4 and paper tape." There is no documentation in the nedical record the wound was neasured after 9/25/07. Ch 10/17/07 at 11 30 AM during the assessment of the wound the surveyo asked that the wound be measured.	of saa			

STATEMENT OF DEFICIENCIES	X1 PROVIDER/SUPPLIER/CLIA	(X2) MULTIPLE	ECONSTRUCTION	(X3) DATE SURVEY	
AND PLAN OF CORRECTION IDENTIFICATION NUMBER		A BUILDING B MING	BAPTIST MEMORIAL HOS	COMPLETED	
Y 9		<u> </u>		10/17/2007	
LAME OF PROVIDER OR SUPPLI BAPTIST MEMORIAL HOSP		STREE	T ADDRESS, CITY STATE ZIP CON 6018 WALNUT GROVE ROAD	Œ	
			MEMPHIS, TN 38120		
PREFIX (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC (DENTIFYING INFORMATION)		PROVIDER'S PLAN OF CORRECT PREFIX TAG (EACH CORRECTIVE ACTION SHOULD REFERENCED TO THE APPROPRIATE		CTION (X5)	
				BE CROSS- EFICIENCY) COMPLETION DATE	
with scant inches are and excent 4.2 cm x 3 During an 11:40 AM, were looki nothing un	d was moist in appearance, yellow drainage and about 2 and the wound was very rediated. The wound measured cm. Interview on 10/17/07 at a staff nurse stated they no at the wound but doing at the wound but doing at a consultation was made and care nurse on 9/23/07.				
documente 10/11/07 f	cord review for Patient #12 ed a physician's order dated or 1000 cc (cubic rs) fluid restriction/(per) 24	Î			
records do 10/12/07: from 3-11; total of 31: 10/13/07: from 3-11; total of 35: 10/14/07: 11; and 10 2082 cc in 10/15/07: from 3-11:	the I&O (Intake and Output) iccumented the following: 1404 oc from 7-3; 1218 oc and 512 oc from 11-7; for a 34 oc in 24 hours. Occ fluid from 7-3; 2340 oc and 1226 oc from 11-7; for a 35 oc in 24 hours. 1000 oc from 7-3; 0cc from 3-82 oc from 11-7; for a total of 24-hours. 1444 oc from 7-3; 1406 oc and 575 oc from 11-7; for a 25 oc in 24-hours.				
	interview on 10/16/07 at 2.25 inief Nursing Officar venified				
and intervi nursing sta dieticism (R facility polic sampted pa	the medical record review ew, it was determined the iff failed to notify the clinical (D), in accordance with ces for 1.01.37 (Patient #37) attents with identified if anemia and mainutrition included	ď	The Nursing Staff will notify the lietician (RD) when patient is as isk for nutritional deficits. RN's otify the RD when: Chewing difficulty Swallowing difficulty Feeding: Enteral (tube feeds) of 10% wtiloss, unintentional, in the month.	sessed at should are taken to the control of the co	
The TAdult Profile/Histo (FIRM CMS 2567 32-99) Previous	ory/Assessment Record*	xu5311 218	type of food, in the last 8 months Facility ID TNP531104	163-	

STATEMENT OF DEFICIENCIES X1) PROVIDER SUPPLIERICLIA X21 MULTIPLE CONSTRUCTION (X3) DATE SURVEY 'ND PLAN OF CORRECTION DENTIFICATION NUMBER A. BUILDING BAPTIST MEMORIAL HOS COMPLETED B WING. 440048 10/17/2007 VAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY STATE, ZIP CODE BAPTIST MEMORIAL HOSPITAL 5019 WALNUT GROVE ROAD MEMPHIS, TN 38120 (X4) ID PROVIDER'S PLAN OF CORRECTION SUMMARY STATEMENT OF DEFICIENCIES EACH DEFICIENCY MUST BE PRECEEDED BY PREFIX PREFIX (EACH CORRECTIVE ACTION SHOULD BE CROSS-COMPLETION FULL REGULATORY OR USC IDENTIFYING TAG REFERENCED TO THE APPROPRIATE DEFICIENCY) INFORMATION) DATE TAG from the Patient Care Policy Manual Braden score: <15 #10 d. documented "Braden scale Skin Breakdown: Stage I, II, III, IV scoring is to be Jone on all patients Food Allergies upon admission ... If the score is less Pregnancy & Lactation than 15, notify Clinical Dietician.... Compliance will be achieved by: Medical record review for Patient #37 documented the patient was admitted Education 11/6/07 on 10/4/07 with a disgnosis of Mandatory Educational Skills Fair is anemia/acute encephalopathy. The being conducted promoting Physicism's admission order mandatory education on all aspects of documented the diet of NPO (nothing the Restraint/Seclusion Policy, new by mouth). process, alternatives to restraint and monitoring expectations (Attachment A physician consult documented the following: 10/5/07 arremia and Our intranet based Not Learning malnutrition." 10/6/07 ... "terribly software will be used to administer the debilitated, malnourished 65 year post-test and keep completion logs. old. .has terrible dentition.. marked Numerator = all who complete muscle wasting of extremities and education, denominator = all who extremely poor skin turgor.* should be educated. (Attachment #4). The first consult from Nutrition Services was dated 10/10/07. During an interview on 10/16/07 at 2:10 PM, the RN (registered nurse) manager confirmed the Braden Scale registered 13 on 10/5/07 and Nutritional Services should have been contacted. During an interview on 10/16/07 at 2:15 PM, the Clinical RD Manager confirmed there was no documentation of an RD consult but 'Nutrition Services was alerted by the albumin lab value of 2.2 on 10/8/07.* Based on medical record review and Nursing Services will provide a standard 11/20/07 interview, it was determined the nursing method to allow for the safety of patients services failed to provide pediatric who request to leave without being seen assessments for 2 of 4 (Patients 28 and 31) (Attachment # 9). sampled pediatric patients Any patient that requests to leave the ED from the Waiting Area is referred to the The findings included. Image Nurse for an assessment. The Triage Nurse if not able to assess the Medical record review for Patient #28 patient quickly calls for the Charge or documented the 2 month old child was Head Nurse overhead while telling the prought to the Emergency Department :: patient that a nurse is coming to see them ED) on 9/22/07 at 11 19 PM by the The Assessing Nurse of the patient mother with the complaint of thit very requesting to leave tries to encourage the

Event ID XU5311.

FORM CMS 2567 02 99) Previous Versions Obsolete

154

12

Facility ID TNP531104

TATEMENT OF DEFI		X1) PROVIDER/SUPPLIER/CI	4		ULTIPLE CONSTRUCTION	(X3) DATE	SURVEY
ND PLAN OF CORRE	CTION	IDENTIFICATION NUMBER	- 30		LOING BAPTIST MEMORIAL HOS	COM	PLETED
		440048		-		10/	17/2007
MME OF PROVIDER	OR SUPPLIE	R		1	STREET ADDRESS, CITY, STATE, ZIP CO	DOE	
BAPTIST MEMOR	NAL HOSPI	TAL		1	6019 WALNUT GROVE ROAD MEMPHIS, TN 38129		
,X4) iD Still	MADY STAT	EMENT OF DEFICIENCIES			PROVIDER'S PLAN OF CORRECT		
PREFIX EACH	DEFICIENC'	MUST BE PRECEEDED BY	PRE				(X5)
TAG FULL	. REGULATO	RY OR LSC IDENTIFYING ORMATION)	TA	G	(EACH CORRECTIVE ACTION SHOULD REFERENCED TO THE APPROPRIATE	BE CROSS- DEFICIENCY)	COMPLETION DATE
	hand on H-	of of hands O- Oncome	,				
3.	11:36 PM to ED without "Refusal of documenta assessment the patient." Medical recodocumenta brought to "Poss (Pos magnet(s)" mother and being seen Services". "of a nursing complicatio leaving the During an in room on 10 verified nur performed a complicatio	ck of head". On 9/22/07 at the mother and child left the being seen after signing a Services". There was no tion of a nursing it for complications prior to leaving the ED. cord review for patient #31 di the 15 month old child was the ED on 9/22/07 at 9:43 mother with a complaint of sible) swallowed a On 9/22/07 at 10:02 PM the child left the ED without after signing a "Refusal of There was no documentation assessment for ms prior to the patient ED. Atterview in the conference /16/07 at 9:15, the CNO sing staff should have and assessment for ms in the pediatric area satient left the ED.			patient to stay for treatment If the person still insists on It Assessing Nurse documents Refusal of Services form (F 0137.202) the following inform Communication of trying patient to stay Assessment and condit patient in the Other sector Risks of leaving the deposition of the patient in the Other sector Risks of leaving the deposition of the staying for care. If signs of abuse are recognic contacts social services or the social worker to report the fluth is in documented on the Riservices form. Daily Charge/Head Nurse Review Columns on LWBS patients the have signs of abuse. Coordinate with Referral and office for follow-up on LWBS	eaving the son the orm # mation: g to convince ion of the- cition sertment neffts of call the nurse is on call todings and situal of the complaint complaint could. Authorization patients.	
A 396 The staff care This : Base review the hi staff care	nospital musidevelops, all plan for this standard is rid on policy riviand interviospital failed developed all dualized car	RSING CARE PLAN It ensure that the nursing not keeps current, a nursing patient not met as evidenced by eview, medical record ew, it was determined that to assure that nursing not kept current an e plan for each patient ed for 20 of 37 (Patients	A 39 6		Deily Referral and Authorization Follow-up: A Nurse calls all patients that daily (Attachment #10) The form is completed as best with information from the patie. Upon completion of the form if the LWBS Log book in ED Nu. Any patients with questionable referred to the ED Head Nurse. Nurse and/or Social Services The hospital will assure that the staff develops, and keeps currer care plan for each patient. Immediate Actions: Developed a new plan of care addresses all elements of the including documentation of patiescussion, RN oversight, and multidisciplinary input. Involved RN staff and other dispersional work, and Management, Social Work, and	are LWBS It as possible ent. It is placed in raing Office, a history are archarge nursing et, a nursing form that standard lent family	

Facility ID TNP531104

	T OF DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CL/A	1	E CONSTRUCTION BAPTIST MEMORIAL HOS	(X3) DATE	
	1		B MING	BAFTIST MEMORIAL NOS	COM	PLETED
	1	440048	B WING		\$	
AME OF 2	ROVIDER OR SUPPLIER					17/2007
	rovider or supplier I memorial hospit		STRE	ET ADDRESS, CITY STATE, ZIP CO	DD€	
DAP 1131	MEMORIAL HOSPIT	AL .		5019 WALNUT GROVE ROAD MEMPHIS, TN 38120		
X4) ID	SUMMARY STATE	MENT OF DEFICIENCIES	10	PROVIDER'S PLAN OF CORRECT	CTION	(X5)
PREFIX	FULL REGULATOR	MUST BE PRECEDED BY RY OR LSC :DENTIFYING DRMATION)	TAG REF	CH CORRECTIVE ACTION SHOULD ERENCED TO THE APPROPRIATE	BE CROSS- DEFICIENCY)	COMPLETION
	#1 2 8 0 10 11 12	2 14 18 17 20 22 22 24				
	25, 26, 27, 35, ar	1		Pharmacy) in the developm form, Implemented new plan of ca (Attachment #11) Finalize new plan of ca	are.	
	Care*, docur developed fr assessment. is initiated w admission as hours. The p (Registered individualize findingsda every 24 hou includes ravi resolving pro of the activiti Review of the Plan of CareDocumen reviewed by RN reviewing neuroncan tion, diet ord feedings, nut supplements	e hospital's policy, "Patient of Guidelines", documented, it the time the plan is the RN. signature of the grite plan. (document) disc pulmonary GI/Nutriers, tube feedings, enteral tritional skin care, therapeutic surfaces,		gosl/priority list. (Attach Develop guidelines for new plan of care, hand- HED, and daily gosl/pri Locate the new plan of each patient's room ins folder. Educate all disciplines patient plan of care, has HED, and daily gosl/pri Delete supply of current from nursing units and it Nurse Managers/Charge Nuon every patient everyday at of Care for accuracy, complioversight. One Minute Rounds', the dimultidisciplinary rounding the each unit will be facilitated us of Care in order to get concumultidisciplinary input.	the use of the use of the use of the use of the ority list. Care outside ide a separate on use of new nd-off report in ority list. It goal sheets store room Insee will round nd review Planetion, and RN ailly process of at occurs on sing the Plan	
	documented on 9/27/07. To documentation was developed the physician's or documented decubitus and twice/darly (8 documentation dated 10/12/0 d	ord review for Patient #1 the patient was admitted There was no on an initial plan of care ed and initiated within 8 impleted within 24-hours of plan dated 10/10/07 signature of the RN who e plan. Review of the orders dated 10/12/07 the patient had a sacral d to cleanse the decubitus IID). There was no on on the plan of care of the plan had been ordersed for the sacral				

3 Medical lecord review for Patient #3 focumented on 10/9/07 the patient's plan of care was reviewed. There was

STATEMEN	T OF DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CI	JA (X2) A	MULTIPLE CONSTRUCTION	(XXI DAT	E SURVEY
AND PLAN	OF CORRECTION	IDENTIFICATION NUMBE		ILDING BAPTIST MEMORIAL HO		PLETED
			B Wi	NG	į.	
		440048		r	10	/17/2007
	PROVIDER OR SUPP			STREET ADDRESS, CITY, STATE Z	P CODE	-
BAP 113	T MEMORIAL HOS	SPITAL		6019 WALNUT GROVE RO	AD	
*	T			MEMPHIS, TN 38120		
(X4) (D	SUMMARY ST	ATEMENT OF DEFICIENCIES HCY MUST BE PRECEEDED BY	łD	PROVIDER'S PLAN OF COL	RRECTION	(X5)
PREFIX	FULL REGULA	TORY OR LSC IDENTIFYING	PREFIX	REFERENCED TO THE APPROPRI	DULD BE CROSS- ATE DEFICIENCY)	COMPLETION
	no signa	ture of the RN who developed				
	the plan	who reviewed the plan of care.		× 1		
	4 Medical	record review for Patient #8	E.			k.
	documer	nted the patient was admitted				11,0000
	on 8/24/0	07 with multiple myeloms,		1		11/6/2007
	COURSE a	emodialysis during the hospital nd developed depression due		1		
	to the dia	Mysia. There was no		1		
	documer	station on the plans dated		£		
	9/19/07 -	- 10/16/07 that depression had ntified as a problem or				
	doals/inte	erventions developed for the		į.		
	patient's	depression.		A.		
	5. Medical r	ecord review for Patient #9				
	documen	ited the patient was admitted 17 for abdominal pain, hospice				
	care and	an albumin level of 2.8				
	(normal 3	1.4-5.5). There was no		1		
	documen	tation an initial plan of care				1
	was deve	Hoped within 8 hours or d within 24-hours of		W		Į.
	admission					
	8. Medical n	scord review for Patient #10				
	document	ted the patient was admitted		1		1
	on 10/12/	07. Review of the plan of care		i		!
	document	led an initial plan was initiated 07. There was no				i
	document	tation of completion of the				1
	plan withle	n 24-hours, the RN's		<u> </u>		4
	signature	who developed the plan not		1		Î
	reviews of	the plan every 24-hours		Ü		į.
	ouring tre	hospital stay.				
	7 Medical re	cord review for Patient #11				
	document	ed the patient was admitted 🔝		1		B 2
	on 10/07/0	07. There was no		A		
	document	ation an initial plan of care oped within 8 hours and				
	completed	within 24-hours post				
	admission	. There was no				
	documenta	ation that a plan had been				
	reviewed e	ivery 24-hours during the				
	nospital sta	By A plan dated 10/18/07 of documentation of the				
	patient's n	o cocumentation of the				
	skin status	or goals. There was no				
	signature o	of the RN who developed the				
	plan of care	#				
	8 Medical red	cord review of Patient #12				

STATEMENT O	F DEFICIENCIES	X1; PROVIDER/SUPPLIER/CL	.iA (X2)	MULT:PL	E CONSTRUCTION	(X3) DAT	E SURVEY	
AND PLAN OF	CORRECTION	IDENTIFICATION NUMBE	1		DING BAPTIST MEMORIAL HOS		COMPLETED	
				ING				
		440048				10	V17/2007	
VAME OF PRO	VIDER OR SUPPLIE	ER		STREE	ET ADDRESS CITY STATE ZIP C			
BAPTIST M	EMORIAL HOSP	ITAL			5018 WALNUT GROVE ROAD			
					MEMPHIS, TN 38120			
(X4) ID	SUMMARY STAT	EMENT OF DEFICIENCIES	10		PROVIDER'S PLAN OF CORRE	CTION	(X5)	
PREFIX		Y MUST BE PRECEEDED BY DRY OR LSC IDENTIFYING	PREFIX TAG	1 (54)	CH CORRECTIVE ACTION SHOUL	D BE CROSS-	COMPLETION	
TAG		ORMATION)		DEFICIENCY)	DATE			
	documente	ed the patient was admitted	·					
	on 10/11/0	7 There was no					# #	
		ition an initial care plan was and initiated with in 8 hours	7	,			M:	
	or complet	ed within 24-hours of	<u>))</u>					
		A plan dated 10/16/07 o documentation the plan					er er	
		busized to include the	E.					
		ordered 1000 cubic	İ					
		e (cc) fluid restriction/day, e signature of the RN who						
		the plen of care.						
	9. Medical re	cord review for Patient #14						
	documente	d the patient was admitted					f.	
		7. There was no tion an initial plan of care						
		sped and initiated within 8		- 1			23 11	
		ompleted within 24-hours of		1			90) Vii	
		A plan dated 10/11/07 o signature of the RN who		13			E .	
	developed	the plan, patient goels of	ſ	- 1			E .	
		ition the plan had been every 24-hours.	1				1	
		cord review for Patient #14	1	ì			i	
		id the patient was admitted					1	
		7. There was no		1			1	
		tton an initial plan of care sped and initiated within 8		ì				
	10	empleted within 24-hours of					1	
		A plan dated 10/151/07					ii.	
		o documentation of the scral wound care or	ı	Ī			i i	
	nutritional:	supplements the patient was		(1)			i i	
		There was no documentation in id been reviewed every 24					ì	
	hours.	na Dodni i aviamed availy 24						
	11 Medical red	cord review for Patient #16						
	documente	d the patient was admitted						
		An initial plan of care dated is ealed no signature of the						
		veloped the plan of care or						
	goals for th	e patient's identified						
	probl a ms							
		ord review for Patient # 17						
		d the patient was admitted. 7. There was no						
		tion an initial plan of care						
		ped and initiated within 8						
	hours of co	moleted within 24 hours of						

	OF DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CLA IDENTIFICATION NUMBER	(X2) MULTIPL A BUILDING B WING	E CONSTRUCTION BAPTIST MEMORIAL HOS	X3) DATE SUR	
ANE OF CO.	011055 00 01 00 11	440048	<u> </u>		10/17/20	07
	OVIDER OR SUPPLIE		STREE	T ADDRESS, CITY STATE, ZIP COE 6019 WALNUT GROVE ROAD MEMPHIS, TN 38120	×€	
:X4;::D PREF:X TAG	FULL REGULATO	EMENT OF DEFICIENCIES (MUST BE PRECEEDED BY FRY OR LSC (DENTIFYING ORMATION)	ID PREFIX EAC TAG REFE	PROVIDER'S PLAN OF CORRECT H CORRECTIVE ACTION SHOULD B RENCED TO THE APPROPRIATE DE	E CDORG	(X5) IPLETIO
	admission					
	documented on 9/14/07. documental was develop hours or conadmission. 9/23/07, 9/2 9/29/07, 9/3 10/5/07, 10/12/04/07 10/5/07, 10/12/04/07	ord review for patient #20 d the patient was admitted. There was no don an initial plan of care ped and initiated within 8 mpleted within 24 hours of The plans dated 9/22/07, 4/07, 9/25/07, 9/28/07, 0/07, 10/2/07, 10/3/07, 5/07, 10/7/07, and 10/13/07 signature of the RN's who vised the plans of care.				
	14. Medical reco documented on 10/12/07, documentati was develop hours or con admission. A revealed no developed th	ord review for Patient #22 the patient was admitted There was no on an initial plan of care ed and initiated within 8 repleted within 24 hours of signature of the Rn who re plan or documented e plans every 24 hours				
	documented on 10/8/07. T documentation was develope hours or commadmission. A revealed no sideveloped the documentation documentation.	rd review for Patient #23 the patient was admitted here was no on an initial plan of care ad and initiated within 8 pleted within 24 hours of plan dated 10/15/07 ignature of the RN who a plan of care or on the plan was reviewed a during the hospital stay.				
	documented to on 10/4/07. The documentation was developed	d review for Patient # 24 the patient was admitted there was no in an initial plan of care id and initiated within 8 leted within 24 hours of				
	documented the principle of the principl	review of Patient #25 le patient was admitted here was no un initial plan of care and initiated within 8 eted within 24 hours of				

STATEMENT	OF DEFICIENCIES	X1) PROVIDER/SUPPLIER/CI	LIA (X2)	MULTIP	LE CONSTRUCTION	X3) DATI	E SURVIEY
NO PLAN O	F CORRECTION	IDENTIFICATION NUMBE			DING BAPTIST MEMORIAL HOS		PLETED
						33.	
		440048				10	117/2007
LAME OF PR	ROVIDER OR SUPPLIE	R		STRE	ET ADDRESS, CITY, STATE, ZIP CO		1110041
BAPTIST	MEMORIAL HOSPI	TAL			6018 WALNUT GROVE ROAD MEMPHIS, TN 38128		
(X4) ID	SUMMARY STAT	EMENT OF DEFICIENCIES	10	1	PROVIDER'S PLAN OF CORRECT	TION	~
PREFIX TAG	EACH DEFICIENCY FULL REGULATO	Y MUST BE PRECEEDED BY DRY OR LSC IDENTIFYING CORMATION)	PREFIX TAG PREFIX TAG PROVIDER'S PLAN OF CORRECTION FROM SHOULD BE REFERENCED TO THE APPROPRIATE DEF				(X5) COMPLETION DATE
	admission.						<u></u>
	documenta on 10/12/0 documenta was develo hours or co admission. revealed ne developed 19. Medical rec documenta on 10/15/0 documenta was develo hours or co admission. revealed ne developed	cord review for patient #26 of the patient was admitted 7. There was no tion an initial plan of care ped and initiated within 8 impleted within 24 hours of A plan dated 10/15/07 o signature of the RN who the plan of care, cord review for patient #27 of the patient was admitted 7. There was no tion an initial plan of care ped and initiated within 8 impleted within 24 hours of A plan dated 10/15/07 o signature of the RN who the plan of care					
	documents on 10/8/07. documents was develo hours or co admission. revealed no patient's ne nutritionsi, s	cord review for patient #35 of the patient was admitted. There was no ition an initial plan of care ped and initiated within 8 impleted within 24 hours of A plan dated 10/10/07 of documentation of the uron, cardian, pulmonary, skin status or patient goals or of the RN who developed care.					
	documented on 10/2/07 of breath (S stage renal dialysis. The an initial pla and initialed completed wadmission. F 10/5/07 – 10 documentation dividualize	iew for Patient #36 If the patient was admitted for weakness and shortness OB) associated with end disease (ESRD) and are was no documentation of care was developed within 8 hours and within 24 hours of Review of the plans dated #716/07 revealed no on the plans had been of for goals for the patient's streatments.		2			
	22 During an int PM, the CNO findings:	terview on 10/16:07 at 2.15 Diverified the above		2			

= 170 |

ITATEMENT IND PLAN OF	N OF CORRECTION OENTIFICATION NUMBER:		A BUILDING		TIPLE CONSTRUCTION (X ING BAPTIST MEMORIAL HOS		X3) DATE SURVEY COMPLETED	
		L				10/	7/2007	
	OVIDER OR SUPPLIE MEMORIAL HOSPI			ST	REET ADDRESS, CITY, STATE, ZIP CO. 9018 WALNUT GROVE ROAD	Œ	-	
(X4) ID PREFIX TAG	(EACH DEFICIENC) FULL REGULATO	EMENT OF DEFICIENCIES Y MUST BE PRECEDED BY RY OR LSC IDENTIFYING ORMATION)	IO PREFUX TAG	PREFIX FACH CORRECTIVE ACTO		E COORE	(X5) COMPLETION DATE	
A 459	HISTORY AND All records must evidence of a m examination cor days before or 2 This STANDAR! by: Based on re was determined complete the his examination for sampled patient The findings incl 1. Medical rec Patient #23 was admitte dated 10/9/l by the physic 2. Medical rec Patient #24 was admitte 10/4/07 that physician. 3. During an in 10/15/07 at Nursing Offic H&P's shoul	t document, as appropriate, edical history and physical impleted no more than 30 the hours after admission. D is not met as evidenced cord review and interview, it the facility failed to story and physical (H&P) 2 of 26 (Patient #23 and 24) s. Ituded: ord review on 10/15/07 for documented the patient id on 10/6/07 with a H&P of that had not been signed.	A 459		Based upon both Section §482.24 include provisions requiring evide medical history and physical exam completed no more than 30 days. hours after admission. Cases, #2 had a "physician dictated" history present in the medical record with hour timeframe requirement. Had dictated by a non-physician, authoritis the 24 hour timefrante would necessary. Under this citation, the regulatory requirements for physic "signing" of the history and physic hours. The BRIFF Memphis Rules Regulations (Attachment #13) recto be completed and on the chart hours, but they do not require sign authentication to be considered co. Had there been a hand-written his physical present, the requirement of medical record entries would ha applied for the "entry".	nce of a nination before or 24 and #24 and #24 these been infication of have been re are no larie within 24 and pulme H&P's within 24-ature mplete.		
A 458	All records must with outcome of hof care and provision. This STANDARD	nclude discharge summary pospitalization, disposition sions for follow-up care.	A 468		In reviewing this citation it is believe patient # 15 was incorrectly identified was an outpatient procedure case believe the patient most closely fitting demographics described in the citation patient # 16. In reviewing the dischassion was a patient # 16 and #17 determined that both patients had confidently summaries summaries which included discharge summaries which included discharge summary discussing the or	d because . We ig the on is rge it is impleted		
	by dased on med determined the fact patient records co	tical record review at was clifty failed to ensure all ntain a discharge			the hospitalization, the disposition of patient and provisions for follow-up (Atlachment # 14 and 15)	the		

STATEMENT	OF DEFICIENCIES	X1) PROVIDER/SUPPLIER/C	LIA D	(2) MU	JLTIPLE	CONSTRUCTION	Y3\ DATE	SURVEY
AND PLAN O	FCORRECTION	IDENTIFICATION NUMBE	- 1			BAPTIST MEMORIAL HOS	(F)	_
			1	WINC		SAL THE INCINIAL HOS	COM	PLETED
		440048	'	*****	·			
NAME OF PR	OVIDER OR SUPPLIE	R		7	erner		-	17/2007
	MEMORIAL HOSP			1	SIREE	ADDRESS, CITY STATE, ZIP COD	€	
	1007	TO COME		1		6019 WALNUT GROVE ROAD MEMPHIS, TH 38120		
(X4) ID	SUMMARY STAT	EMENT OF DEFICIENCIES	ID.			PROVIDER'S PLAN OF CORRECT	ON.	, V di
PREFIX	EACH DEFICIENC	Y MUST BE PRECEEDED BY	PREF		EACH	CORRECTIVE ACTION SHOULD 8		(X5)
TAG		ORY OR LSC IDENTIFYING ORMATION)	TAC	3	REFER	RENCED TO THE APPROPRIATE DE	FICIENCY	COMPLETION
	summary for 2	of 20 (Patient #15 and 17)			T			
	closed record re The findings inc				- 1			N.
	The mongs inc		1		E			i i
	Medical record	review for Patients #15 and	1		1			
	#17 revealed rk	documentation of a	İ		- 1			
	of the hospitalis	nary discussing the outcome ation, the disposition of the			3			
	patient, and pro	visions for follow-up care.						I
	í							
A 630	482.28(b)(2)DIE	ETS	A 630		, N	utritional needs will be met in a	ccordance	
	Nutritional need	s must be met in			W	ith recognized dietary practices coordance with the orders of the	and in	
	accordance with	recognized dietary	ř.			ractitioner.		t .
	practices and in	accordance with orders of			9			
	for the care of the	or practitioners responsible			j ·	Distitian meeting held to introdu	ICO	7 .
		0			4	reference and educate regarding	ng its use in	1
			li .		1.	The Registered Distition review	19 .	
	Ŧi.				9	computer-generated data and a	creens any	
	This STANDAR	is not met as evidenced			1	patient with the following,	•	ij
	by: Based on re-	view of the hospital's policy			î	 Albumin < 2.8 or Prealbum (Exception: Aortic Aneury) 	เก < 16	-
	for pressure ulci	ers, review of the medical view, it was determined that			Ÿ)	Coronary Artery Bypass Gr	aft	
	the facility failed	to follow it's nutrition policy			92	(CABG), Femoral Popliteal	Graft	
	for multiple decu	bitus ulcers for 1 of 5			É	Aortic Valve Replacement (Mitral Valve Replacement ((AVR).	i
	(Patient #10) saidecubitus review	ripled patients with				Total or Radical Hysterecto	MVK). MV	1
	GACODICUE LANGA	red.			1	(TAH/RAH), Laminectomy	Cardiac	
	The findings incl	ude:				Intervention Unit due to blo	od loss)	
	1 Pavimu of th	e hospital's policy for			-1	 Diet order of Total Parenter 	al Nutrition	
	Pressure ul	Cers"			1	 Tube Feeding 		Ì
		Mainutrition,			3	• >85 years of age		
	dehydration	whether secondary to places the client at risk of			4	-		
	tissue break	down and poor healing.				 LOS >7 days for adult patient greater than 3 days (72 hou 	nts.	
	Patients with	the above-described risk				pediatric patients.	13) 101	
	factors shou	ld receive a complete			ř	NPO >5 days		
	designed to	essment and care plan address each nutrition						
	problem iden	itifiedThe following			Ñ	 Consults (Physician ordered referrals (initial nursing screet 	nursing	
	guidelines w	ill usually meet the				patient request for consult)	1 (1)	
	patient's nee	ds. Adequate energy				100 A 100 HOLD IN		
	Rilogram of th	35 [kcal/kg] calories per ne present body				 High Risk Admitting Diagnos affecting nutritional status pe 	is.	
	weight _Usa	lower range for stages				registered dietitian's clinical	domant	
	1and 2 and h	igher range for stages 3				E ramples include mainutrino	n weight -	
	and 4 ulcers	and for ulcers at multiple			2	oss failure to thrive etc.	·π :=:	
	alasticity The	hydration to maintain skin optimal fluid intake is or			2.	Developed abbreviated reference pinical dietitians to use when asset	for	
	a min mum of	1 500 milliliters per day 1				Datient's needs (Arthorn et rain)	253iing	

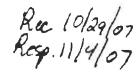
Facility O TNP531 (24

172 20

STATEMENT OF	DEFICIENCIES	X1) PROVIDER/SUPPLIER/CL	A . X2) !	MULTIPLE	E CONSTRUCTION	Y3\ 0 4 7	E CLIPA CO.
AND PLAN OF C	ORRECTION	DENTIFICATION NUMBER	- 1	DNICHI			E SURVEY
		3±0	B WI		THE THE MEMORINE HOS		WPLETED
		440048		-		1	
VAME OF PROV	IDER OR SUPPLI	ER		STREE	T ADDRESS, CITY, STATE ZIP COE		¥17/2007
BAPTIST ME	MORIAL HOSP	MTAL			5019 WALNUT GROVE ROAD	Œ	
				l	MEMPHIS, TH 38120		
(X4) ID	SUMMARY STAT	EMENT OF DEFICIENCIES	ID	1	PROVIDER'S PLAN OF CORRECT		
PREFIX .	EACH DEFICIENC	Y MUST BE PRECEEDED BY ORY OR USC IDENTIFYING	PREFIX	EAC	H CORRECTIVE ACTION SHOULD B		(X5)
TAG	INF	FORMATION)	TAG	REFE	RENCED TO THE APPROPRIATE DE	EFICIENCY)	COMPLETION DATE
	2. Medical re	cord review for Patient #10					
)	documente	id an admission date of			Educated staff to clearly docu	ment	
ì	10/12/07 w	rith diagnoses of large		1	rationale when deviation is ma normal standards.	ide from	₩ •
	escher on	the heel, large sacral peripheral vescular disease,			Develop monitoring tool for ch	art	i.
	end-stage	chronic renal disease,			audits.(Attachment #17)		1
	arterioscler	rotic heart disease Type 2			LANGOG LICHTHON VESCERLIGH	and	i
	Diabetes M	fellitus, insulin dependent		23	Reassessment Policy (Attachr	nent #18)	81
1	chronic cor	ngestive heart failure, uropathy and chronic		- 1			į.
	disease typ	e anemis. It further		i			ř.
	documente	d the patient was on					1
	hemodialys	sis 3 times per week.		1			i
1	The patient	was admitted on an 1800		i			1
	calorie (AD	A) American Disbetes		1			
Î	restriction	det. There was no fluid The Physician also ordered					1
1	Nepro at 40	(cc) cubic centimeters per					
	hour per (pe	gj percutaneous		<u> </u>			1
l.	gastrostom	y tube.		1			1
ľ	Progress no	otes on 10/12/07, by the		-			ī
	wound care	nurse documented the left		1			1
j	extending to	eschar covered heel the plantar aspect of the		N .			<u>}</u>)
1	foot. The sa	cral ulcer was 11 cm by 1.5		- 8			
18	cm. It had n	ecrotic tissue at the edges		1			i
	and 'deep p	urplish discoloration".		i			
	The renal dis	alysis assessment dated					į
	10/13/07doc	rumented no intake		*			1
	document he	put data was kept to					á
	tolerating dia	Nysis.					
#	The nutrition	assessment dated		1			l
1	10/13/07, nev	resied the albumin was low		4			i
	at 1 2 (g/df) g	rams per deciliter (normal		200			į.
	:\$ 3;4-5.0). ∏	he diagnosis was licer". The RD used 24					U.
	Kcal/kg instea	ad of 30-35 kcal/kg to					
	calculate the	patient's calone need for					
	an estimated	1600 calones/day instead					
	or ind 1900 c	alones using the protocol The RD used 1.0-1.2 g/kg					
	of protein of 1	5 g/kg for stage 3 or 4 or					
	muitiple decu	bitus ulcers The patient's					
	estimated pro	tein requirement was 85-					
	5 grams of p	rotein instead of 95					
	Just requirem	ein. The RD assessed ent at 1000 ml per day for					
	nitiality of the comment	patients instead of the					

STATEMENT OF DEFICIENCIE	X1) PROVIDER SUPPLIER CI	_A (X2) N	AULTIPL	E CONSTRUCTION	(X3) DATI	E SURVEY		
AND PLAN OF CORRECTION	DENTIFICATION NUMBER	R' LA BU	ILDING	BAPTIST MEMORIAL HOS	4.1	PLETED		
		B WI	NG		¥)			
	440048		10/17					
NAME OF PROVIDER OR SUPP	R.iER		STREE	ET ADORESS, CITY STATE, ZIP CO		1172007		
BAPTIST MEMORIAL HO	SPITAL	5019 WALNUT GROVE ROAD						
				MEMPHS, TN 38120				
(X4) D SUMMARY ST	ATEMENT OF DEFICIENCIES	ID		PROVIDER'S PLAN OF CORREC	TION	(X5)		
FULL REGUL	NCY MUST BE PRECEEDED BY ATORY OR LSC IDENTIFYING INFORMATION)	PREFIX TAG	REFE	TH CORRECTIVE ACTION SHOULD ERENCED TO THE APPROPRIATE D	BE CROSS- DEFICIENCY)	COMPLETION		
standan progress was not restriction 3. During a 11:20 ar confirme this pate docume 10/17/07 the lower nutrition	in 1500 ml of fluid in the d of practice. Physician is notes documented the patient on a Physician ordered fluid in. In interview on 10/17/07, at in, The Quality Assurance nurse of the nursing care plans for earth had very little intation. During an interview on if at 11:15 AM, the RD stated in protein level was used in the assessment because, "I did the stage of the decubitus."					1 ' 8/07		





STATE OF TENNESSEE DEPARTMENT OF HEALTH VEST TENNESSEE HEALTH CARE FACILITIES 78" B AIRWAYS BOULEVARD JACKSON, TENNESSEE 38301-3203

October 25, 2007

Mr. Jason Little, Administrator Baptist Memorial Hospital 6019 Walnut Grove Road Memphis, TN 38120

Dear Mr. Little:

Enclosed is the Statement of Deficiencies, which was developed as a result of the full survey after a complaint, completed at your facility on October 18, 2007.

You are requested to submit a Credible Allegation of Compliance within ten (10) days after date of this letter with acceptable time frames for correction of the cited deficiencies. Corrective action must be achieved no later than forty-five (45) days from the date of the survey. Please notify this office when these deficiencies are corrected. A revisit must be conducted prior to the forty-fifth (45th) day to verify compliance. Once corrective action is confirmed, a favorable recommendation for re-certification will be considered.

The following Conditions of Participation have been found to be out of compliance:

A385

482.23

Nursing Services

Also, the following eight (8) standard level deficiencies cited for noncompliance: A166, A168, A175, A395, A396, A459, A468, and A630.

Based on noncompliance with the aforementioned Conditions of Participation, this office is recommending to the CMS Regional Office and/or Sate Medicaid Agency that your provider agreement be terminated effective January 18, 2008, which is ninety (90) days from the date of the survey. Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be available to the public.

Your plan of correction must contain the following:

- How the deficiency will be corrected;
- How the facility will prevent the same deficiency from recurring.
- The date the deficiency will be corrected;
- How ongoing compliance will be monitored.

If there are any delays in completing your Plan of Correction, please notify this office in writing. Before the plan can be considered "acceptable," it must be signed and dated by the administrator.

Should you have questions or if there is any way this office may be of assistance, please do not hesitate to call 731-421-5113.

1/201

Sincerely

Celia Skelley, MSN RN Public Health Nurse Consultant 2

CS/TW

Enclosure

Copy

Supplemental #1

Baptist Memorial Hospital-Tipton

CN1211-057

November 29, 2012 10:44am

SUPPLEMENTAL-#1

November 29, 2012

10:44am

SUPPLEMENTAL RESPONSES

BAPTIST CENTER FOR CANCER CARE - RELOCATION

BAPTIST MEMORIAL HOSPITAL - TIPTON

CN1211-057

November 29, 2012 10:44am

1. Section A. Item 9.

Please provide verification from the Secretary of State the corporation is still active.

Response: Verification is provided by the following page found at the Tennessee Secretary of State website at:

http://tnbear.tn.gov/Ecommerce/FilingDetail.aspx?CN=086064047185 040016017109110018199040228119169069

November 29, 2012 10:44am

2. Section A. Item 5

Please provide a draft management contract for the proposed project.

Response:
Baptist Memorial Hospital- Tipton (BMHT) will manage the Cancer Center. A managing entity is not involved.

November 29, 2012 10:44am

3. Section A. Item 6

Please provide the names of entities that own more than 5% of Baptist Memorial Hospital – Tipton.

Response:

BMHT is a non-profit organization and ownership or shares are not involved in the traditional sense. The sole member of BMHT is Baptist Memorial Health Care Corporation (BMHCC). BMHCC is also a non-profit organization with a corporate office located at 350 North Humphreys Blvd, Memphis, TN 38120. Information about BMHCC and about BMHT is available on the web at: www.bmhcc.org.

4. Section B, Project Description, Item 1

The increase in square footage from 109,921 sq. ft. with construction cost of \$64,925,225 in the original application (CN1105-018A) to 153,211 sq. ft. with construction cost of \$84,834,200 in this proposed project is noted. In addition, the increase in full-time employees (FTEs) from 77.28 to 92.88 is noted. Please explain why there is a 50% increase in square feet and the 30% in project costs while the need, service area, population, etc. appears to be the same as in in the original application (CN1105-081A). What has changed in the area of need since the original application was filed?

Response:

In connection with the original application, should be noted that a modification to the original CON with changes in size and scope and cost was previously submitted and was withdrawn due to the change in location. That modification would have been heard by the HSDA this month. The changes are part of the process developing the details of how to best address the patient needs. Patient needs include expectations for high quality in a pleasant environment that provides continually advancing technologies.

Like other new settings that provide innovative combinations of activities, the integration of outpatient oncology services in one location leads to adjustments that will become more efficient over time. Allowances for that development and the anticipated effects of the synergies are required.

Some allowances are reflected in the professional participation and supportive staffing. For example, the medical staff has grown to 15 from the originally anticipated 9 and the potential participation of multiple groups of specialists will allow patient needs to be addressed more comprehensively in a coordinated manner.

An example of changes to meet needs is the additional laboratory equipment with substantially increased on-site capabilities. An example of anticipation of future change is the allowance of space for additional infusion therapy stations with acknowledgement of developments in oral oncolytics. Another change in this application is the inclusion of cost to upgrade both a linear accelerator and a PET/CT unit

How will this new facility be designed to accommodate the special needs of cancer patients i.e. - diet, healing, family support, informational resources, etc?

Response:

The relocation of the center, allows access to support services. A food deli, for example will be on the second floor of the new building. It will offer foods prepared for the raised sensitivities of the oncology patients.

Why is there boutique/retail space of \$1,000 sq. ft. and a 1,500 sq. ft. library in the original application (CN1105-018A) but not in this application?

Response:

A boutique and library that were in the original project are now accessible in the Women's hospital that is adjacent to the cancer center. The Boutique and library are operational and duplication is not required.

Please clarify if this application will also offer water features, sculptures, and long windows providing views into healing gardens as mentioned in the original application (CN1105-018A).

Response:

A large portion of the infusion area in the new location will have views to the existing lake. The space that will be renovated currently includes existing windows with a large expanse of glass that starts about 2 ft. above the floor and goes to the ceiling. The lake will have a fountain and the grounds will be arranged to provide an aesthetically pleasant appearance. If patients desire a more discreet location while receiving treatment, some cubicles will be arranged in smaller groupings.

Please clarify if the full continuum of cancer treatment and/or services will be available at this proposed location. What type of cancer treatment that is not associated with this proposed project would a patient have to seek elsewhere?

Response:

As described in the initial application, access to all outpatient services will be provided through the cancer center. Surgical inpatient services will continue to be provided at BMHM that is on an adjacent campus. Valet service that will be provided for parking is also available at the BMHM.

The applicant mentions "multi-D clinics. Please define a multi-D clinic in relation to this project.

Response:

The new center configuration includes space in surrounding professional office buildings where physicians from various disciplines/specialties can congregate to visit a single patient. The clinic, referred to as a "Multi D" clinic provides convenience for the patient by reducing multiple visits to individual physicians involved in choosing and initiating therapies. Professionals from Multiple Disciplines are able to meet the same patient and discuss a treatment plan. One of the locations for a Multi D clinic is in a physician office building that is connected to BMHM.

The applicant mentions three Oncology foundations have joined Baptist Medical Group since the approval of CN1105-018A. Please identify these foundations and how these affiliations will enhance this relocation project.

Response:

The 3 foundations are Boston Baskin Cancer Foundation, Family cancer Foundation and Integrity Oncology Foundation.

The applicant states the proposed location for the facility will improve patient and staff access to other complex services that a cancer patient may need at Baptist Memorial Hospital Memphis (BMHM). Please provide the following information regarding BMHM:

Where is the location of BMHN in relation to the proposed project?
Please provide a brief summary of the services offered at BMHM.

How many beds are currently licensed and staffed at BMHN.

Response:

The proposed cancer center has access to the adjacent campuses of both BMHM and BMHW from the new proposed location. The inpatient capability of BMHW is 140 beds that include a NICU and pediatric service. The 706 beds at BMHM also include a separately licensed long term care hospital and skilled nursing facility in the same building. With all providers combined, the continuum of care is available and adding the cancer center extends any access that may be required.

There appears to be a Baptist Memorial Health Care Corporation building located nearby on N. Humphreys Blvd, Memphis, TN and Walnut Grove Baptist Hospital East, located on Walnut Grove Road, Memphis, TN. Please indicate the relationship of these properties, if any, to the applicant.

Response:

These properties are a gasoline and convenience store and a Wendy's restaurant. Presently, there is no relationship with these properties by the hospitals.

What type of cancer treatment services are currently provided by BMHN at the current site and the proposed site location of BMHT?

Pagnonga

BMHM provides radiation oncology and the location is across the drive from the proposed cancer center. Surgery is also provided at BMHM.

Where is the closest cancer center offering similar services to the new proposed location?

Response:

No other local comprehensive outpatient oncology service is in the area. The other Cancer Services such as the West Clinic that is about a mile away does not offer the same services in one location.

5. Section B. Item II A.

The square footage and cost per square footage chart is noted. There was originally 2.168 square feet devoted to registration. Please explain why there are no registration areas in the proposed project.

Response:

Registration is planned to be decentralized and will occur at each point of service. Patients will go directly to the location of their appointment and registration will be handled electronically. Privacy needs will be provided at each location. Support service from a technician, when needed, for the registration function will be provided at the service location from members of a registration system staff.

6. Section B.II (Project Description)

Please describe the parking access to the facility. Please include approximate number and location at relation to the facilities.

The plot plan indicates there is an existing cancer center located next to the proposed project. What services exist there now and what role will this building play in this proposed project?

What is located now in the space where the proposed newly constructed cancer center will be located?

Response:

Parking access will be supported by surface parking around the building and by valet service for patients.

The plot plan on the following page indicates the location of the proposed cancer center, other hospitals, medical office buildings and parking. The building that will be renovated for the cancer center is now a center with mixed occupants including a restaurant, business offices, a rehabilitation department of the hospital and the Women's Health Center. The Women's Health Center will not relocate.

The drawing also indicates the location of the BMHM Radiation Oncology Center that is across the drive from the new cancer center. It is currently located in an older building that cannot be reasonably renovated to accommodate new radiation therapy equipment requirements. Currently, potential uses for the older building include office space.

7. Section B, Project Description Item III.A.(Plot Plan)

A portion of the plot plan labels are too small to read. Please provide a plot plan with legible labels.

Please also indicate the size of the site in acres.

Please provide a supplemental simple plot plan that clearly identifies the location of 50 Humphreys Boulevard, 80 Humphreys Center and 6029 Walnut Grove Road, Memphis, TN 38120.

Response:
A Supplemental Plot Plan is provided before this page.

8. Section B, Project Description Item III.B.1

Please indicate the distance from major highways and the Interstate System.

Response:

One side of the cancer center campus is along Humphreys Boulevard. Humphreys Boulevard intersects with Walnut Grove Road and a left turn onto Walnut Grove Road leads to Interstate I-240 that is approximately 1 mile away. The Interstate entrance ramp sign is visible from the intersection.

Public transportation is available from a designated bus stop on Walnut Grove in front of BMHM.

9. Section C. Need Item 4a. (Service Area Demographics)

The applicant appears to be relocating approximately 5.3 miles farther away from the population center of Memphis. Please elaborate on how this proposed relocation will benefit those residing in the downtown Memphis area keeping in mind the additional traveling distance.

Response:

The new location is actually 3.236 miles closer to the centroid of the Shelby County population coordinates provided by the US Census bureau. So, it is closer to the population center of the service area. Both locations have excellent access along major roadways. The new location is also closer to the interstate.

The benefit of the new location to the cancer patient is due to the proximity of medical services at BMHM.

10 Section B. Need Items 6

The applicant is projecting 11,796 procedures in Year One. The projected data chart reflects 11,796 procedures in Year Two. Please clarify.

A typographical error has been corrected and replacement page 23 follows.

11. Section C. (Economic Feasibility) Item 4 (Historical Data Chart)

Please provide the utilization data for A. Utilization Data (Specify unit of Measure). Also, please change the word "date" to "data" on line A.

Please specify E. Other Revenue (Expenses) that increases from \$819,939 in 2008 to \$1,752,126 in 2011.

Please clarify why there were two submitted historical charts.

Response:

Two charts were submitted because a request was made with another recent application to complete the extended version in addition to the version provided in the packet.

The increase in line E is due to interest income.

Two historical charts were submitted for the same reason explained above. The applicant assumed that both charts would be requested for all applications since a recent CON submission requested completion of the additional expanded version.

12. Section C, Economic Feasibility, Item 3
2012 NOV 29 AM 10 45

Please compare this project's cost per square foot to cost per square foot ranges of previously approved projects found in the "Applicant's Toolbox" on the HSDA website (www.tn.gov/hsda) or provide specific examples supporting the reasonableness of proposed project costs.

Response:

The overall total cost of this project as reflected in the Square Footage and Cost Per Square Footage Chart is approximately \$251 per sq ft.

The chart from the Tool Box shown below indicates that the total cost of this project of \$251 is approximately at the median cost of \$250 per sq ft for hospital construction.

Hospital Construction Cost Per Square Foot Vears: 2009 – 2011

	Lears	, 2007 - 2011		
₹	Renovated	New	Total	
	Construction	Construction	Construction	_
1st Quartile	\$125.84/sq ft	\$235.86/sq ft	\$167.99/sq ft	
Median	\$177.60/sq ft	\$274.63/sq ft	\$249.32/sq ft	
3rd Quartile	\$273.69/sq ft	\$324.00/sq ft	\$301.74/sq ft	

Source: CON approved applications for years 2009 through 2011

13. Section C. (Economic Feasibility) Item 4 (Projected Data Chart)

Please explain the reason why there are two projected data charts where one has a management fee category (page 30) and the other does not (page 28).

Response:

Two projected charts are provided because the expanded chart was requested for another recent application. The applicant's assumption was that the expanded chart would be requested again.

The utilization data for A. Rac Onc Treatments (includes cyberknife) does not match the calculations on page 23 under Section B. Need Item 6. Please clarify.

Response:

A typographical error on page 23 referred to 2010 on the line above the table. It has been corrected to 2011 and a replacement page is provided numbered 23R. A transcription error occurred when information was transferred onto both versions of the projected data charts. The error was in the "A. Utilization Data". The corrected data have been entered for all categories and replacement pages are provided for both Charts. The pages are numbered 28R and 30R.

The Project Completion Forecast Chart projects the initiation of service in June 2015. The applicant projects 783 PET procedures in Year 1 on the Projected Data Chart (2015) and 797 in Year Two (2016). On page 116 of the application the applicant projects 783 PET procedures in 2014 and 797 in 2015. Please clarify.

Response:

Page 116 is in two sections. The upper half of the page reflects Utilization that was included in the original application. The Lower portion reflects data in the current application. Both versions of the projected data chart now reflect 2,296 PET/CT procedures in Year 1 and 2,342 procedures in Year 2 which was the utilization used in preparing the projection. Other amounts on the projected data are unchanged.

The Projected Data Chart projects \$220,414 for physician's salaries in Year One. How many FTEs does this figure represent?

Response:

The figure represents approximately 0.70 FTE's

14 Section C. (Economic Feasibility) Item 5

The average charge, average deduction and average net do not appear to be correct. Please recheck and revise if needed.

Response:

The amounts in Item 5 are based on radiation therapy services to a radiation therapy patient and are correct according to calculations.

10:44am

15. Section C. (Contribution to Orderly Development) Item 3 (Staffing)

The projected staffing of 92.88 FTE's is noted. The projected data chart list \$11,133,610 for salaries/wages in Year One of the proposed project. This averages to \$119,870 per employee per year. Is this amount possibly overstated?

Response:
The chart was completed for jobs that have specific patient care requirements and administrative FTE's are not included in the staffing at 92.88 FTEs. The total FTEs are 114.48. Using 114.48 as the FTE number, the wage and benefit average per FTE averages to \$97,253.76 per FTE. The number also includes a benefit amount which is budgeted at an additional 30%. Adjusting the total by removing the benefit amount benefits gives an average of \$74,810 per employee per year.

Radiologists appear to not be included in the anticipated staffing pattern. Please indicate why they are not included. If not, how will radiological tests be interpreted?

Response:

The radiologists group bills patients for service. Since neither revenues nor expenses come through the cancer center, the job was not included.

Please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor and Workforce Development and/or other documented sources.

Source: Tennessee Department of Labor & Workforce Development, Employment Security Division, Labor Market Information. Publish date May 2012.

	ВМН	Mean	Entry	Exp.	25th	Median	75th
Job Title	Wage	wage	wage	wage	pct	wage	pct
Registered Nurse	31.81	31.7	23,55	35.8	25.1	29.35	34.75
Pharmacist- Clinical	58.2	55.5	45.15	60.65	51.2	57.65	65.35
Pharmacy Technician	19,51	13.95	10.15	15.8	10.95	13.55	16.75
Respiratory Therapist	23.51	23.55	19.85	25.4	20.65	23.5	26.7
Radiology Technologist	27.8	24.8	19.75	27.35	21.05	24.4	28.05
Medical Technologist	29.51	28	.21.75	31.15	24.05	27.85	32.7

AFFIDAVIT

2012 NOV 30 AM 11 28
STATE OF TENNESSEE
COUNTY OF SHELBY
NAME OF FACILITY: Baptist Memorial Hospital-Tipton
ofter first being duly sworn, state under eath
I, ARTHUR MAPLES , after first being duly sworn, state under oath
that I am the applicant named in this Certificate of Need application or the lawful agent
thereof, that I have reviewed all of the supplemental information submitted herewith,
and that it is true, accurate, and complete.
×
al M. l
Signature/Title
Sworn to and subscribed before me, a Notary Public, this the 28 day of Nov., 2012,
witness my hand at office in the County of Shelby, State of Tennessee.
With least my mand at online in the obtains of
971
NOTADY DIRLICATION THE STATE OF
NOTARY PUBLIC My Comm. Exp. 9-11-2013
My commission expires
STATE S
HF-0043 Revised 7/02

COPY-

SUPPLEMENTAL-2

Baptist Memorial Hospital- Tipton

CN1211-057

November 29, 2012 4:03pm

14 Section C. (Economic Feasibility) Item 5

The average charge, average deduction and average net do not appear to be correct. Please recheck and revise if needed.

Response:

The amounts given as an example are based on radiation therapy services and are correct according to projections.

The CON application states "Please identity the project's average gross charge, average deduction from operating revenue, and average net charge." The applicant provided an example of radiation therapy services that are a component of the proposed Cancer Center. A supplemental question about the accuracy of the data was asked because of difficulty in connecting the case example to the projected data chart.

Isolating a specific modality's charges to a line on the projected data chart is very difficult. Cancer can be treated in a variety of ways. A combination of therapies is commonly used. The CON application discusses multi-disciplinary (multi-D) teams of physicians and specialists who design individualized treatment plans that may include several types of therapies.

A patient may receive radiation therapy combined with some infusion therapy. Imaging studies such as PET/CT will likely be included. An average amount per patient can apply to a broad mix of modalities. As a general reference, a page from a website from a health care system in another state follows this page.

Sentara.com

SUPPLEMENTAL- # 1a

Sentara offers many sophisticated

diagnostic tools to identify cancer

at its earliest, most treatable

stages. Every hospital and

technologies.

freestanding center within the Sentara Cancer Network offers a

range of sophisticated screening

Find out where these services

November 29, 2012 4:03pm

180

Hampton Roads

Home

Services

Cancer

Treatment Modalities

SENTARA°

Treatment Modalities

The physical and emotional effects of cancer treatment can be significant. The good news is that help is available from the many people in the Sentara Cancer Network. It is also important to remember that you are the most important member of your health care team. You should not be afraid to ask questions about what you are getting and who is providing it.



Cancer can be treated in a variety of ways. Often a combination of therapies is the best way to fight the disease. Our multi-disciplinary team of physicians and specialists designs an individualized treatment plan especially for you that may include several types of therapies. We offer many innovative and state-of-the-art methods of cancer treatment.

Treatments may include:

Associates.

- Diagnostic Imaging The use of radiant energy, including x-rays, radium, cobalt and nuclear medicine applications, in the diagnosis and treatment of diseases. Find out where to go for Diagnostic Imaging at Sentara. You can also get patient instructions for PET-CT, a common diagnostic tool for cancer treatment.
- Radiation Oncology The diagnosis and treatment of cancer by means of various radiation and other imaging procedures (e.g., x-rays, CT scans, MRI's, mammography, ultrasound) in combination with personal care. Find out where to go for Radiation Oncology at Sentara.
- are offered at Sentara (PDF file). Advanced Therapy — Sentara offers many advanced and targeted cancer therapies, including new treatments such as Selective Internal Radiation (SIR) Spheres Therapy.
- Medical Oncology —The study and treatment of cancer using chemicals (chemotherapy), biological products or immunotherapy. Find out where to go for Medical Oncology treatment from our partners at Virginia Oncology
- Surgery A medical procedure involving an incision with instruments; performed to remove or repair a part of the body or to determine if disease is present. Find out more about the Sentara Medical Group surgical oncologists.
- Reconstruction The rebuilding of a body part or joint.
- ▶ Pathology —The scientific study of the nature of disease and its causes, processes, development, and consequences.
- Genetics The study of inheritance patterns of specific traits. Find out more about genetics studies from our partners at Virginia Oncology Associates.
- Rehabilitation The restoration of, or improvement in, a person's health and well being with the goal of returning the person to the highest level of function, independence and quality of life possible. For more information on rehab at Sentara, visit the Sentara Therapy Services.
- ▶ Home Care A broad range of special services provided to assist a person with a chronic disability or illness, living in the community. For more information on Sentara Home Care services, visit Sentara Home Care.
- ▶ Hospice A program that provides special care for people who are near the end of life and for their families, either at home, in freestanding facilities, or within hospitals. Hospice care addresses emotional, social, financial, and spiritual

http://www.sentara.com/Services/Cancer/Pages/treatment_modalities_asnx

needs of patients and their families. For more information on hospice services, visit the Sentara Hosp SUPPLEMENTAL- # 1a

- ▶ Palliative Care —Care given to improve the quality of life of patients who have a life-threatening disease. Palliative care is used to treat disease symptoms, side effects caused by treatment and a life-threatening disease. Palliative care is used to treat disease symptoms, side effects caused by treatment, and psychological, social, and spiritual problems related to the disease. Also called comfort care, supportive care, and symptom management. For more information on palliative care services, visit Sentara Hospice Program.
- ▶ Clinical Trials Research studies that involve patients aimed at finding better ways to prevent, detect, diagnose or treat a specific disease, in this case, cancer.

Integrative Therapies

For some patients it can be beneficial to combine conventional treatment modalities with holistic approaches related to diet, lifestyle, exercise, stress care and nutrition. Some complementary therapies may help relieve certain symptoms of cancer, relieve side effects of cancer therapy, or improve a patient's sense of well-being. Examples might include: drinking peppermint tea for nausea or engaging in massage therapy, yoga or meditation to reduce stress. If you're interested in trying a complementary approach, contact your physician or health care team to see what is available and what may be appropriate for you.

		,	



2012 NOV -9 AM 10: 38

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

	Commercial Appeal which is a newspaper (Name of Newspaper)
of general circulation in Shelby and other counties in , -	Tennessee, on or before <u>November 10</u> , 20 <u>12</u> ,
for one day.	(Month / day) (Year)
This is to provide official notice to the Health Services accordance with T.C.A. § 68-11-1601 et seq., and the final that: Baptist Memorial Hospital-Tipton (Name of Applicant) owned by: Baptist Memorial Hospital-Tipton and to be managed by: Baptist Memorial Hospital-Tipton with and to be managed by: Baptist Memorial Hospital-Tipton with and to be managed by: Baptist Memorial Hospital-Tipton with and to be managed by: Baptist Memorial Hospital-Tipton with and to be managed by: Baptist Memorial Hospital-Tipton Germantown Parkway, Germantown, Tennessee 38138 Center at 50 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently located in nearby buildings at 80 Humphreys Boulevard, Memphis, Tennesses space conveniently l	Rules of the Health Services and Development Agency, General Hospital (Facility Type-Existing) th an ownership type ofnon-profit corporation ton intends to file an application for a Certificate from its CON approved site at 1238 and 1280 South to the building known as The Shops of Humphreys see 38120. The proposed new location also includes umphreys Center and 6029 Walnut Grove Road. The emission tomography (PET/CT) unit, initiation of linear equipment and related assets currently owned and M). The project involves relocating from BMHM two (2) nent along with the CyberKnife linear accelerator. One BMHM will be replaced when installed at the Baptist ed to Baptist Center for Cancer Care will be a 7945 Wolf River Blvd, Germantown, TN 38138. The 3,200 square feet. The project does not involve the
The anticipated date of filing the application is: Novem	<u>iber 15, </u> , 20 <u>12</u>
The contact person for this project is Arthur Map	oles Director Strategic Analysis (Title)
who may be reached at: Baptist Memorial Health Care (Company Name)	e Corporation 350 N Humphreys Blvd (Address)
Memphis TN (State)	38120 901 / 227-4137 (Area Code / Phone Number)
Guthun (Signature)	arthur.maples@bmhcc.org (E-mail Address)
The Letter of Intent must be filed in triplicate and receive	ed between the first and the tenth day of the month. If the

this form at the following address: Health Services and Development Agency

Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

CERTIFICATE OF NEED REVIEWED BY THE DEPARTMENT OF HEALTH Division of Policy, Planning and Assessment Office of Health Statistics

615-741-1954

DATE: January 31, 2013

APPLICANT: Baptist Memorial Hospital-Tipton

D/b/a Baptist Center for Cancer Care

50 Humphreys Boulevard Memphis, Tennessee 38120

CON# CN1211-057

CONTACT PERSON: Arthur Maples

Director of Strategic Analysis 50 Humphreys Boulevard Memphis, Tennessee 38120

COST: \$84,834,200

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Health Statistics, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2000 Edition*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Baptist Memorial Hospital-Tipton, seeks Certificate of Need (CON) approval to relocate the Baptist Center for Cancer Care from its CON approved site located at 1238 and 1280 South Germantown Parkway, Germantown, Tennessee to the building known as The Shops of Humphreys Center at 50 Humphreys Boulevard, Memphis Tennessee. The proposed new location also includes space conveniently located in nearby buildings at 80 Humphreys Center and Walnut Grove Road. The Cancer Center project includes relocation of a positron emission tomography (PET/CT) unit, initiation of linear accelerator services, and acquisition of major medical equipment and related assets currently owned and operated by Baptist Memorial Hospital-Memphis (BMHM). The project involves relocating from BMHM two linear accelerators and other radiation oncology equipment along with the Cyberknife linear accelerator. One of the existing linear accelerators to be relocated from BMHM will be replaced when installed at Baptist Cancer for Cancer Care (BCCC). The PET/CT unit to be relocated to BCCC will be a replacement of the Baptist Memorial Hospital-Tipton (BMHT) PET/CT, currently relocated at 7945 Wolf River Boulevard, Germantown, Tennessee. The hospital total Cancer Center space is approximately 153,211 square feet. The project does not involve the addition of beds or any other service for which a CON is required.

The total cost of the project as reflected in the square footage chart and cost per square footage chare is approximately \$251 per square foot. This cost is at the median cost per square foot as reflected in HSDA costs approved for year 2009 through 2011.

Through the Baptist Memorial Health Care Corporation (BMHCC), Baptist Memorial Hospital-Tipton is affiliated with Baptist Memorial Hospital-Memphis. Baptist Memorial Hospital-Tipton will apply for recognition by the American College of Surgeons Commission on Cancer.

The total project cost is approximately \$84,834,200 and will be funded through cash reserves as documented in from the chief financial offer in Economic Feasibility 2 (E).

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The applicant's proposed service area is Fayette, Tipton, and Shelby counties. The applicant's secondary service area is Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, McNairy, Madison, Obion, and Weakley counties in Tennessee. The applicant also includes Craighead County in Arkansas and DeSoto and Marshall Counties in Mississippi in their service area.

Service Area Total Population Projections for 2013 and 2017

County	2013 Population	2017 Population	% Increase/ (Decrease)
Fayette	39,818	41,841	5.1%
Shelby	956,126	983,298	2.8%
Tipton	63,857	67,365	5.5%
Totals	1,059,801	1,092,504	3.1%

Source: Tennessee Population Projections 2000-2020, February 2008 Revision; Tennessee Department of Health,
Division of Policy, Planning and Assessment – Office of Health Statistics

This application is nothing more than the relocation and modification of the scope of the project previously approved by HSDA in August 2011 in CN1105-18A for Baptist Memorial Hospital-Tipton. The CON was issued for the construction of a comprehensive cancer center; to initiate linear accelerator and PET services; and to acquire major medical equipment and related assets currently owned by BMHM .The facility was to include a full array of oncology services and programs and be operated as an outpatient department of BMHT.

As the cancer center construction plans were being refined, the dynamics of merging outpatient oncology services into one location while providing flexibility to adjust for advancements in delivery options generated a larger facility that exceeded the parameters of the approved space. The original 105,921 square feet space grew to 153,211 and the cost of the new construction increased. An application to modify the original application at the Germantown site was submitted but was withdrawn to be replaced with this proposal at a site closer to the BMHS campus. The proposed location will improve patient and staff access to other complex services that a cancer patient may need at BMHM. In addition, the combination of renovation and new construction, and the use of leased space in existing offices buildings will provide flexibility in a more cost effective manner.

Momentum for the project has continued since CN1105-018A was approved. Physician involvement has continued to grow along with community involvement along with community interest. Three oncology foundations have joined the Baptist Medical Group with 27 physicians and 10 nurse practitioners joining the BMHT medical staff. The recent completion of the affiliation of the Baptist Cancer Center and the Vanderbilt-Ingram Cancer Center will contribute to enhancing the level of cancer care in the region.

The type of cancer services that require CON review have not changed from the original application. BMHT acquired a PET/CT unit that will be updated when it is relocated to the new cancer center. The linear accelerators, including the Cyberknife, will be relocated from BMHM with one of the accelerators also being updated at the time of relocation. The cost of replacing the 2 major medical equipment items, the PET/CT and one linear accelerator, are included in this application, although this could occur without CON approval. The infusion services that will be relocated in renovated space with 48 infusion stations and additional space for growth. Other spaces that have changed from the original application are indicated on the square footage chart located on pages 7 and 8 of the application.

The financial feasibility of the project is enhanced by relocating the center. The construction costs are less than the previous project and other reductions are achieved that are not apparent from the Project Costs Chart. The market value of the site is shown as \$11,000,000 although Baptist Memorial Health Care Corporation (BMHCC) already owns the land that will be transferred to BMHT. The site is not a cost to the system but rather a movement of assets within BMHCC. The appropriate updates of the financial charts and projects demonstrate the project continues to be financially viable.

TENNCARE/MEDICARE ACCESS:

The applicant participates in both the Medicare and TennCare programs, and has contract with BlueCross/BlueShield BlueCare, TennCare Select, and AmeriChoice.

TennCare Enrollees in the Proposed Service Area

County		2013	TennCare Enrollees	% of Total
		Population		Population
Fayette		39,818	5,631	14.1%
Shelby		956,126	230,053	24.1%
Tipton		63,857	11,473	18.0%
	Total	1,059,801	247,157	23.3%

Source: Tennessee Population Projections 2000-2020, February 2008 Revision Tennessee Department of Health, Division of Policy, Planning and Assessment – Office of Health Statistics and Tennessee TennCare Management Information System, Recipient Enrollment, Bureau of TennCare

The estimated Medicare gross revenues are estimated to be \$64,918,306, or 40% of gross revenues. The TennCare/Medicaid gross revenues are estimated to be \$4,868,873 or 3% of gross revenues. Charity care is estimated to be (\$4,534,643) or 2.8% of gross revenues

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

In the Project Costs Chart, the total estimated project cost is \$84,834,200, which includes \$2,737,942 for architectural and engineering fees; \$48,000 for legal, administrative, and consultant fees; \$11,000,000 for acquisition of site; \$1,111,695 for preparation of site; \$33,605,000 for construction costs; \$11,121,960 for fixed equipment; \$4,561,893 for moveable equipment; \$14,706,420 for maintenance, IS, and Videoconference; \$1,674,647 for building only; and \$45,000 for CON filling fees.

In the Historical Data Chart located in Supplemental 1, the applicant reported 7,171/41,353, 6,424/40,379, 5,654/36,662, and 5,038/37,265 in patient days/outpatient visits in years 2008, 2009, 2010, and 2011 with gross operating revenues of \$70,563,670, \$67,855,812, \$68,769,906, and \$74,819,590 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenues to \$25,725,364, \$24,245,587, \$22,550,771 and \$23,006,904 each year, respectively. The applicant paid management fees to affiliates of \$2,591,592, \$2,659,764, \$2,705,316, and \$2,956,500 each year, respectively. The applicant reports net operating revenues of \$663,909, \$1,143,495, \$875,762, and \$1,034,167 in 2008, 2009, 2010, and 2011, respectively.

In the Projected Data Chart located in Supplemental 1, the applicant projects 816/11,796/ 2,296 chemotherapy treatments/Rac Onc treatments/Pet in year one and 833/11,980/2,342 chemotherapy treatments/Rac Onc treatments/Pet in year two with gross operating revenues of \$162,295,765 and \$168,933,546 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenues to \$57,057,789 and \$59,386,388 each year. The applicant projects net operating revenue of \$8,937,337 in year one and \$9,013,892 in year two of operation.

The average projected charge for radiation therapy services will be \$17,036, with an average deduction of \$11,168, resulting in an average net charge of \$5,868. The applicant provides the current charges by CPT codes on pages 32 and 33 of the application.

The applicant's only alternative to this project would be to proceed with the approved project (CN1105-18A) which was withdrawn. The relocation and reconfiguration of the project described in this application saves approximately \$20,211,716. In addition, the new location of the cancer center will be better for the patients and physicians who need access to BMHM.

The current center for cancer care described herein, will more effectively improve the healthcare system, encourage access to resources and materials, and enhance proactive and reactive responses to a broader scope of cancer patient's needs.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant states as part of BMHT, the BCCC will continue relationships with entities throughout the Baptist system. The center will serve the same populations and will have electronic capabilities to reinforce communications with referring physicians and professionals across the region. Although the center will be less than 5 miles from BMHM the location is closer to other providers and creates opportunities to build working relationships with other networks.

Access for area physicians and patients will not be complicated by the new organizational arrangement or by the move. The BCCC will be available to any qualified physician who applies and receives privileges.

The applicant reports this project will benefit the health care system by improving effectiveness of existing equipment and services. No new major medical equipment that requires CON approval is involved and negative effects are not anticipated. The current utilization will be maintained and projections of modest growth are based on the growth of the over 60 population. The new center will provide an additional degree of support for a smaller community hospital in Tipton County. The applicant believes enhancing appropriate utilization of existing equipment and providing development opportunities for patients, families, and professionals as they learn and do more to fight cancer are all positive effects.

The applicant lists the proposed staffing on page 37 of the application and wage comparisons on page 26 of Supplemental 1.

The applicant states Baptist Memorial Health Care Corporation and BMHT are strong supporters of educational opportunities throughout the region. Baptist Memorial College of Health Sciences was chartered in 1994 as a specialized college offering baccalaureate degrees in nursing and in allied health sciences as well as continuing education opportunities for healthcare professionals. The four year BHS degree includes radiology training in areas of radiation therapy, nuclear medicine, diagnostic medical services, and radiographic technology.

Both BMHM and BMHT are licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by The Joint Commission.

BMHM was last surveyed on 10/17/07 and deficiencies were noted in the areas of restraint and seclusion, nursing services, RN supervision of nursing care, nursing care plan, content of record-discharge summary, and diets. The applicant states the deficiencies were corrected and the facility was revisited and approved. BMHT was surveyed on 2/2/2009 and no deficiencies were cited as a result of the licensure survey.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

Applications for Change of Site

When considering a certificate of need application, which is limited to a request for a change of site for a proposed new health care institution, the Commission may consider, in addition to the foregoing factors, the following factors:

- (a) Need. The applicant should show the proposed new site would serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed new site.
 - The proposed site for Baptist Center for Cancer Care will be no less conveniently accessible to the population of the service area. In addition, as discussed in the application, the actual capital outlay to complete the project at the new site will be significantly less than the alternative of expanding the project originally approved at the existing site. The new site will provide better access to the BMHM for cancer patients who need services there.
- (b) *Economic factors*. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.
 - See response to one above. Additionally, the new location will not result in any increase in patient charges.
- (c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

The time needed to complete the project at the new location will only be about 6 months more than the original projected completion date. The advantages of the new site easily outweigh the modest amount of additional time needed to complete the project.